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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re:  
JOHN D. REYNEN and JUDITH M. REYNEN,  
Debtors.

Case No.: 08-25145  
Chapter 11  
MLG-022

In re:  
CHRISTO BARDIS and SARA BARDIS,  
Debtors.

Case No.: 08-34878  
Chapter 11  
MHK-009

**DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION**  
(Dated July 30, 2009)

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1 JOHN D. REYNEN and JUDITH M. REYNEN, individuals and the debtors-in-possession in  
2 Chapter 11 Case No. 08-25145 (collectively, the “Reynen Debtors”), and CHRISTO BARDIS and  
3 SARA BARDIS, individuals and the debtors-in-possession in Chapter 11 Case No. 08-34878  
4 (collectively, the “Bardis Debtors,” and together with the Reynen Debtors, the “Debtor Group”),  
5 hereby propose this Debtors’ Second Amended Joint Plan Of Reorganization (as it may be amended  
6 or modified hereafter, the “Plan”) in the within chapter 11 cases, for their joint reorganization under  
7 chapter 11 of the United States Bankruptcy Code, pursuant to the provisions of Section 1121(a) of  
8 title 11 of the United States Code.

9 **ARTICLE I**

10 **DEFINITION AND CONSTRUCTION OF TERMS**

11 1.1. Definitions. As used herein, capitalized terms shall have the meanings set forth in the  
12 schedule of definitions attached hereto and incorporated herein as **Exhibit “A.”**

13 1.2. Other Terms. Any term used in the Plan that is not defined herein or in **Exhibit “A”**  
14 shall have the meaning ascribed to that term, if any, in the Bankruptcy Code. A term used in this  
15 Plan and not defined herein or in the Bankruptcy Code, but which is defined in the Bankruptcy  
16 Rules, shall have the meaning assigned to the term in the Bankruptcy Rules.

17 1.3. Construction of Certain Terms. In addition to the foregoing, the following shall  
18 apply:

19 1.3.1. The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar  
20 import refer to the Plan as a whole and not to any particular section, subsection, or clause  
21 contained in the Plan, unless otherwise indicated.

22 1.3.2. Wherever from the context it appears appropriate, each term stated in either  
23 the singular or the plural shall include the singular and the plural and pronouns stated in the  
24 masculine, feminine or neuter gender shall include the masculine, the feminine and the  
25 neuter.

26 1.3.3. Whenever a term is used that may refer to an event, person, thing, status or  
27 document in either the Reynen Case or the Bardis Case, such term shall apply such event,  
28

1 person, thing, status or document in the case that is appropriate to the context of such use.  
2 For example, the use of the term “Schedules” in the context of Claims against the Reynen  
3 Estate shall be deemed to refer to the Schedules filed by the Reynens.

4 1.3.4. Where the Plan expressly requires the “reasonable consent” or “reasonable  
5 approval” of a party as a condition to implementation of a transaction or other event, if such  
6 consent is requested and not provided, the requesting party shall be entitled to seek approval  
7 for such transaction or other event by the Bankruptcy Court, *provided* that such requesting  
8 party demonstrates, based on a preponderance of evidence, that the requested consent was  
9 unreasonably withheld. Where the Plan does not expressly require that consent or approval  
10 be “reasonable,” consent or approval shall be in the sole discretion of the party that is asked  
11 for such consent or approval, and the requesting party shall not be entitled to seek alternative  
12 approval by the Bankruptcy Court.

13 1.4. Plan Controls. To the extent of any inconsistencies between the Plan and the  
14 Disclosure Statement, the provisions of this Plan shall control and prevail.

## 15 **ARTICLE II**

### 16 **CLASSIFICATION OF CLAIMS AND INTERESTS; IMPAIRMENT**

17 2.1. Classification. The following is a designation of the Classes of Claims and Interests  
18 in the Plan. Administrative Expense Claims and Priority Tax Claims (that is, the Nonclassified  
19 Priority Claims) have not been classified and are excluded from the following Classes, in accordance  
20 with the provisions of Section 1123(a)(1) of the Bankruptcy Code. The treatment accorded  
21 Administrative Expense Claims and Priority Tax Claims is set forth in Article III herein. Consistent  
22 with the provisions of Section 1122 of the Bankruptcy Code, a Claim or Interest shall be deemed  
23 classified by the Plan in a particular Class only to the extent that the Claim or Interest qualifies  
24 within the description of that Class, and shall be deemed classified in a different Class to the extent  
25 that the Claim or Interest qualifies within the description of that different Class. A Claim or Interest  
26 is in a particular Class only to the extent that the Claim or Interest is an Allowed Claim or Allowed  
27 Interest in that Class, as the case may be. Each Claim shall be allowed against a specific Estate, or  
28

1 against each of the Estates if the Claim is enforceable against both the Reynen Debtors and the  
2 Bardis Debtors.

3           2.1.1. Class A1 (Reynen Priority Claims) consists of all Reynen Priority Claims, if  
4 any, other than Reynen Nonclassified Priority Claims.

5           2.1.2. Class A2 (Bardis Priority Claims) consists of all Bardis Priority Claims, if  
6 any, other than Bardis Nonclassified Priority Claims.

7           2.1.3. Class B1 (Reynen Secured Claims) consists of all Secured Claims in the  
8 Reynen Case, as follows:

9           2.1.3.1. Class B1.1 (Silver Oak Reynen Secured Claim) consists of the  
10 Reynen Secured Claim held by Silver Oak.

11           2.1.3.2. Class B1.2 (AKT Secured Claim) consists of the Reynen Secured  
12 Claim held by AKT.

13           2.1.3.3. Class B1.3 (Bank of America-Sacramento Secured Claim) consists  
14 of the Reynen Secured Claim held by Bank of America and secured by the  
15 Sacramento Property.

16           2.1.3.4. Class B1.4 (CBT Secured Claim) consists of the Reynen Secured  
17 Claim held by CBT.

18           2.1.3.5. Class B1.5 (Chase Secured Claim) consists of the Reynen Secured  
19 Claim held by Chase.

20           2.1.3.6. Class B1.6 (Merrill Lynch Secured Claim) consists of the Reynen  
21 Secured Claim held by Merrill Lynch.

22           2.1.3.7. Class B1.7 (PNB Secured Claim) consists of the Reynen Secured  
23 Claim held by PNB.

24           2.1.3.8. Class B1.8 (Wells-Wallace Secured Claim) consists of the Reynen  
25 Secured Claim held by Wells and secured by the Wallace Property.

26           2.1.3.9. Class B1.9 (Wells-Mendocino Secured Claim) consists of the  
27 Reynen Secured Claim held by Wells and secured by the Mendocino Property.

28           2.1.3.10. Class B1.10 (Wells-Truckee Secured Claim) consists of the

Reynen Secured Claim held by Wells and secured by the Truckee Property.

2.1.3.11. Class B1.11 (Wells-Reno Secured Claim) consists of the Reynen Secured Claim held by Wells and secured by the Reno Property.

2.1.3.12. Class B1.12 (Other Reynen Secured Claims) consist of each Reynen Secured Claim, if any, that is not within any other subpart of Class B1.

2.1.4. Class B2 (Bardis Secured Claims) consists of all Secured Claims in the Bardis as follows:

2.1.4.1. Class B2.1 (ATAP Secured Claim) consists of the Bardis Secured Claim held by ATAP and secured by the Chew Ranch Interest.

2.1.4.2. Class B2.2 (Silver Oak Bardis Secured Claim) consists of the Bardis Secured Claim held by Silver Oak.

2.1.4.3. Class B2.3 (Wachovia-Gold River Secured Claim) consists of the Bardis Secured Claim held by Wachovia and secured by the Gold River Property.

2.1.4.4. Class B2.4 (Wachovia-L.A. Secured Claim) consists of the Bardis Secured Claim held by Wachovia and secured by the L.A. Property.

2.1.4.5. Class B2.5 (Bank of West-Gold River Secured Claim) consists of the Bardis Secured Claim held by Bank of West and secured by the Gold River Property.

2.1.4.6. Class B2.6 (BankFirst-Gold River Secured Claim) consists of the Bardis Secured Claim held by BankFirst and secured by the Gold River Property.

2.1.4.7. Class B2.7 (First Tennessee Secured Claim) consists of the Bardis Secured Claim held by First Tennessee and secured by the Gold River Property.

2.1.4.8. Class B2.8 (BankFirst-Pebble Proceeds Secured Claim) consists of the Bardis Secured Claim held by BankFirst and secured by the Pebbles Proceeds.

2.1.4.9. Class B2.9 (Other Bardis Secured Claims) consists of each Bardis Secured Claim, if any, that is not within any other subpart of Class B2.

2.1.4.10. Class B2.10 (Travelers Secured Claim) consists of the Bardis Secured Claim held by Travelers, to the extent secured by the Bardis Tax Refund.

2.1.5. Class C1 (Reynen Convenience Claims) consists of all Reynen Convenience Claims.

2.1.6. Class C2 (Bardis Convenience Claims) consists of all Bardis Convenience Claims.

2.1.7. Class D1 (Reynen Unsecured Claims) consists of all Reynen Unsecured Claims other than Reynen Nonclassified Priority Claims and Reynen Convenience Claims. Claims within Class D1 include, without limitation, all Reynen Unsecured Claims arising from (a) deficiency damages following disposition of collateral pursuant to Section 4.5.3 of the Plan, and (b) rejection of unexpired leases and other executory contracts pursuant to Article VI of the Plan.

2.1.8. Class D2 (Bardis Unsecured Claims) consists of all Bardis Unsecured Claims other than Bardis Nonclassified Priority Claims and Bardis Convenience Claims. Claims within Class D2 include, without limitation, all Bardis Unsecured Claims arising from (a) deficiency damages following disposition of collateral pursuant to Section 4.12.3 of the Plan, and (b) rejection of unexpired leases and other executory contracts pursuant to Article VI of the Plan.

2.1.9. Class E1 (Reynen Interests) consists of all rights to, and interests in, property of the Reynen Estate held by the Reynen Debtors.

2.1.10. Class E2 (Bardis Interests) consists of all rights to, and interests in, property of the Bardis Estate held by the Bardis Debtors.

21        2.2. Impairment. Under the terms of the Plan, Allowed Claims within Classes A1, A2,  
22 B1.1, B1.8, B1.11, B1.12, B2.1, B2.2, B2.3, B2.4, B2.8, B2.9 and B2.10 will not be impaired.  
23 Allowed Claims and Interests within all other Classes will be impaired under the terms of the Plan.

### **ARTICLE III**

## **TREATMENT OF NONCLASSIFIED PRIORITY CLAIMS**

3.1. Generally. Subject to the provisions of all other sections of this Article III, (a) each holder of an Allowed Reynen Nonclassified Priority Claim shall receive on account of such Claim,

1 Cash from the Reynen Estate equal to the allowed amount of such Claim, and (b) each holder of an  
2 Allowed Bardis Nonclassified Priority Claim shall receive on account of such Claim, Cash from the  
3 Bardis Estate equal to the allowed amount of such Claim

4       3.2. Administrative Claims. No Administrative Expense Claim, including without  
5 limitation Professional Fees, incurred before the Effective Date, other than ordinary course expenses  
6 incurred by the Debtors, shall become an Allowed Claim unless (a) a formal application, motion,  
7 request or proof therefor has been filed with the Court and served upon the Reorganized Debtors, the  
8 Plan Agent, the Plan Committee and the United States Trustee, within forty five (45) days following  
9 the Effective Date (the “Administrative Bar Date”) or by such earlier deadline as may apply to such  
10 claim pursuant to an earlier order of the Court, and (b) such application, motion, request or proof has  
11 not been withdrawn, denied or dismissed. The Reorganized Debtors, the Plan Agent, the Plan  
12 Committee and the United States Trustee shall have the exclusive right to object to any such  
13 applications, motions, requests and proofs, and the Reorganized Debtors shall schedule a hearing or  
14 hearings with respect to any such applications, motions, requests and proofs as to which any disputes  
15 exist or as to which Court approval is required by the Bankruptcy Rules and Local Rules, as soon as  
16 practicable following the Administrative Bar Date, and shall provide notice of such hearings and any  
17 objections to the requesting claimants, the Plan Agent, the Plan Committee and the United States  
18 Trustee (except to the extent that such applications, motions, requests and proofs have been resolved  
19 prior thereto).

20       3.3. Penalties and Interest. Except as may be expressly set forth in the Plan or by an order  
21 of the Court, no holder of a Priority Tax Claim or an Administrative Expense Claim (other than such  
22 Claims as are held by governmental units and based upon tax liabilities arising after the Petition  
23 Date) shall be entitled to payment on account of any postpetition interest or penalties arising with  
24 respect to such Claim.

25       3.4. Payment. Payment of Allowed Nonclassified Priority Claims shall occur as follows:

26           3.4.1. Administrative Expense Claims. All payments required by the terms of this  
27 Plan on account of Allowed Administrative Expense Claims, unless made earlier by prior  
28 agreement or order of the Court, shall be made by the Plan Agent in Cash on the latest of the

1 following dates: (a) on, or as soon as practicable after, the Effective Date, or on such later  
2 date as to which the holder of such Claim may have consented; (b) on the date when such  
3 Claim becomes due according to contractual, statutory or other terms applicable thereto; or  
4 (c) as soon as practicable after entry of the order allowing such Claim, if the Claim is  
5 disputed or if applicable provisions of the Bankruptcy Code otherwise require Court  
6 approval.

7                   3.4.2. Priority Tax Claims. All payments required by the terms of this Plan on  
8 account of Priority Tax Claims shall be made by the Plan Agent in Cash no later than the  
9 latest of the following: (a) in four (4) equal, annual payments on each anniversary of the  
10 Effective Date until paid in full, together with interest at the nonbankruptcy rate applicable  
11 thereto as of the calendar month in which the Confirmation Date occurs, paid on each such  
12 anniversary and accruing from the Effective Date; (b) on the date when such Claim becomes  
13 due according to contractual, statutory or other terms applicable thereto, plus interest as  
14 described above; or (c) as soon as practicable after entry of the order allowing such Claim, if  
15 the Claim is disputed or if applicable provisions of the Bankruptcy Code require Court  
16 approval, plus interest as described above.

17                   3.5. Allocation Between Estates. To the extent that an Allowed Administrative Expense  
18 Claim (including any such claim paid from funds of one of the Estates prior to the Effective Date)  
19 conferred a material benefit on both Estates, payment of such Claim (or in the case of pre-Effective  
20 Date payments, reimbursement of such payment) shall be allocated and paid by the two Estates on a  
21 fair and equitable basis. Such allocation shall be determined by the Plan Agent, upon fourteen (14)  
22 days' written notice to the Plan Committee, the United States Trustee and the Reorganized Debtors,  
23 or by the Bankruptcy Court in the event that an objection thereto is filed and served by the Plan  
24 Committee, the United States Trustee or the Reorganized Debtors within such notice period.  
25 Without limiting the generality of the foregoing, any payments made from funds or other interests of  
26 either the Reynen Estate or the Bardis Estate to or for the benefit of R&B or Newco after either of  
27 the Petition Dates and prior to the Effective Date shall be allocated on an equal, 50/50 basis.  
28 Notwithstanding any of the foregoing, the Estate for which a professional is retained pursuant to

1 Section 327 of the Bankruptcy Code shall be liable to such professional for the full amount of its  
2 allowed compensation and expense reimbursements, regardless of allocations between the Estates.

3 **ARTICLE IV**

4 **TREATMENT OF UNIMPAIRED CLASSES**

5 Classes of unimpaired Claims and Interests shall be treated as follows:

6 4.1. Class A1 (Priority Claims). Each holder of an Allowed Claim within Class A1 shall  
7 receive on account of such Claim Cash equal to the allowed amount of such Claim, unless such  
8 holder shall have agreed to a less favorable treatment of such Claim. Payment or payments on  
9 account of such Claims shall be made by the Plan Agent from the Reynen Estate on or before the  
10 latest of the following dates: (a) on, or as soon as practicable after, the Effective Date, or on such  
11 later date as to which such holder has consented; (b) on the date that such Claim becomes due  
12 pursuant to contractual, statutory or other terms applicable thereto; or (c) as to Disputed Claims, as  
13 soon as practicable after the order allowing the Claim has become a Final Order.

14 4.2. Class A2 (Priority Claims). Each holder of an Allowed Claim within Class A2 shall  
15 receive on account of such Claim Cash equal to the allowed amount of such Claim, unless such  
16 holder shall have agreed to a less favorable treatment of such Claim. Payment or payments on  
17 account of such Claims shall be made by the Plan Agent from the Bardis Estate on or before the  
18 latest of the following dates: (a) on, or as soon as practicable after, the Effective Date, or on such  
19 later date as to which such holder has consented; (b) on the date that such Claim becomes due  
20 pursuant to contractual, statutory or other terms applicable thereto; or (c) as to Disputed Claims, as  
21 soon as practicable after the order allowing the Claim has become a Final Order.

22 4.3. Class B1.1 (Silver Oak Reynen Secured Claim). The holder of the Silver Oak  
23 Reynen Secured Claim shall be permitted to exercise its right to foreclose upon its collateral, the  
24 Silver Oak Reynen Partnership Interest, immediately following the Effective Date. Such holder may  
25 amend a proof of claim timely filed in the Reynen Case within Class D1 in order to account for any  
26 deficiency to which it is entitled under enforceable and applicable law, *provided* that an amended  
27 proof of claim therefor is filed with the Court and served upon the Plan Agent and the Reorganized  
28

1 Debtors on or before the Deficiency Claim Deadline.

2       4.4. Class B1.12 (Other Reynen Secured Claims). Each holder of an Allowed Reynen  
3 Secured Claim within Class B1.12 shall provide notice of such Secured Claim to the Plan Agent and  
4 the Reorganized Debtors within thirty (30) days following the Effective Date. Unless such holder  
5 has agreed in writing with the Plan Agent to other treatment of such claim, such holder shall receive  
6 one of the following treatments of such claim, at the election of the Plan Agent (which election shall  
7 be deemed to be that which is described in Section 4.4.3 hereinbelow (Abandonment/Return of  
8 Collateral) unless otherwise stated by the Plan Agent in a writing served upon such holder on or  
9 before the later of (a) the thirtieth (30<sup>th</sup>) day after the Effective Date or (b) within thirty (30) days  
10 following the Reorganized Debtors' and the Plan Agent's receipt of written notice of such Reynen  
11 Secured Claim):

12       4.4.1. Reinstatement: Any and all defaults shall be Cured, and any and all damages  
13 compensated, by the Plan Agent from the Reynen Estate, to the extent and in the manner  
14 required by the provisions of Section 1124(2) of the Bankruptcy Code, as soon as practicable  
15 after such defaults and damages, if any, have been determined by agreement among such  
16 holder and the Plan Agent, or by a Final Order if no such agreement is reached; the maturity  
17 and terms of such Claim, or such other terms as have been agreed upon between such holder  
18 and the Plan Agent, shall be reinstated pursuant to the provisions of Section 1124(2) of the  
19 Bankruptcy Code and shall be the obligation of the Reynen Estate after the Effective Date.

20       4.4.2. Full Satisfaction: Such Allowed Secured Claim shall be paid in full by the  
21 Plan Agent, or in such lesser amount as may be agreed upon by the holder of such Claim and  
22 the Plan Agent, from the Reynen Estate, as soon as practicable after such Claim becomes an  
23 Allowed Secured Claim, in exchange for which the holder of such Claim shall execute and  
24 deliver to the Plan Agent all appropriate documentation reasonably necessary to evidence and  
25 effectuate a full release and discharge of all liens, security interests and obligations arising  
26 from such Claim.

27       4.4.3. Abandonment/Return of Collateral. Such holder shall be permitted to  
28 remove, at its own cost and peril and without damage to any other property of the Reynen

1 Estate, and at a time mutually convenient to such holder and the Plan Agent, such property as  
2 to which it holds a perfected security interest, *provided* that in the event of any dispute  
3 between such holder and the Plan Agent as to the extent, priority, validity or enforceability of  
4 such security interest, such removal shall occur only after such dispute is resolved by a Final  
5 Order. Such holder may file and assert a Claim within Class D1 for any deficiency resulting  
6 from such abandonment and return of collateral, to the extent that such Claim is allowable  
7 and enforceable under applicable law, *provided* that a proof of claim therefor is filed with the  
8 Court and served upon the Plan Agent and the Reorganized Debtors within thirty (30) days  
9 following the Effective Date.

10 4.5. Class B2.1 (ATAP Secured Claim). The holder of the ATAP Secured Claim shall be  
11 permitted to exercise its right to foreclose upon its collateral, the Chew Ranch Interest, immediately  
12 following the Effective Date. Such holder may amend a proof of claim timely filed in the Reynen  
13 Case within Class D1 in order to account for any deficiency to which it is entitled under enforceable  
14 and applicable law, *provided* that an amended proof of claim therefor is filed with the Court and  
15 served upon the Plan Agent and the Reorganized Debtors on or before the Deficiency Claim  
16 Deadline.

17 4.6. Class B2.2 (Silver Oak Bardis Secured Claim). The holder of the Silver Oak Bardis  
18 Secured Claim shall be permitted to exercise its right to foreclose upon its collateral, the Silver Oak  
19 Bardis Partnership Interest, immediately following the Effective Date. Such holder may amend a  
20 proof of claim timely filed in the Reynen Case within Class D1 in order to account for any  
21 deficiency to which it is entitled under enforceable and applicable law, *provided* that an amended  
22 proof of claim therefor is filed with the Court and served upon the Plan Agent and the Reorganized  
23 Debtors on or before the Deficiency Claim Deadline.

24 4.7. Class B2.3 (Wachovia –Gold River Secured Claim). Any and all defaults shall be  
25 Cured, and any and all damages compensated, by the Reorganized Bardises from funds outside of  
26 the Bardis Estate, to the extent and in the manner required by the provisions of Section 1124(2) of  
27 the Bankruptcy Code, as soon as practicable after such defaults and damages, if any, have been  
28 determined by agreement among such holder and the Reorganized Bardises, or by a Final Order if no

1 such agreement is reached; the maturity and terms of such Claim, or such other terms as have been  
2 agreed upon between such holder and the Reorganized Bardises, shall be reinstated pursuant to the  
3 provisions of Section 1124(2) of the Bankruptcy Code and shall be the obligation of the Reorganized  
4 Bardises after the Effective Date.

5       4.8.    Class B2.4 (Wachovia-L.A. Secured Claim). The holder of the Wachovia-L.A.  
6 Secured Claim shall be permitted to exercise its right to foreclose upon its collateral, the L.A.  
7 Property, immediately following the Effective Date. Such holder may amend a proof of claim  
8 timely filed in the Bardis Case within Class D2 in order to account for any deficiency to which it is  
9 entitled under enforceable and applicable law, *provided* that an amended proof of claim therefor is  
10 filed with the Court and served upon the Plan Agent and the Reorganized Debtors on or before the  
11 Deficiency Claim Deadline.

12       4.9.    Class B2.8 (BankFirst-Pebble Proceeds Secured Claim). Any alleged Claim within  
13 Class B2.8 is disputed. To the extent that the holder of such alleged Claim asserts any rights or  
14 claims to the Pebble Proceeds, such holder shall notify the Reorganized Debtors and the Plan Agent  
15 in writing of such assertion no later than the thirtieth (30) day following the Effective Date, absent  
16 which any such Claim shall be deemed fully and forever disallowed. In the event that such timely  
17 notice is provided to the Reorganized Debtors and the Plan Agent, the Reorganized Bardises shall  
18 file a motion or complaint to resolve all disputes with respect to such alleged Claim within sixty (60)  
19 days following the Effective Date. The extent, validity, enforceability and allowance of such alleged  
20 Claim shall be determined in the resolution of such motion or complaint, and in the event that a  
21 Bardis Secured Claim within Class B2.8 is Allowed by a Final Order in such resolution, then the  
22 holder of such Allowed Claim shall be permitted to enforce its Allowed Claim against the Pebble  
23 Proceeds in accordance with the terms of such Final Order.

24       4.10.   Class B2.9 (Other Bardis Secured Claims). Each holder of an Allowed Bardis  
25 Secured Claim within Class B2.9 shall provide notice of such Secured Claim to the Plan Agent and  
26 the Reorganized Debtors within thirty (30) days following the Effective Date. Unless such holder  
27 has agreed in writing with the Plan Agent to other treatment of such claim, such holder shall receive  
28 one of the following treatments of such claim, at the election of the Plan Agent (which election shall

1 be deemed to be that which is described in Section 4.10.3 hereinbelow (Abandonment/Return of  
2 Collateral) unless otherwise stated by the Plan Agent in a writing served upon such holder on or  
3 before the later of (a) the thirtieth (30<sup>th</sup>) day after the Effective Date or (b) within thirty (30) days  
4 following the Reorganized Debtors' and the Plan Agent's receipt of written notice of such Bardis  
5 Secured Claim):

6                   4.10.1. Reinstatement: Any and all defaults shall be Cured, and any and all damages  
7 compensated, by the Plan Agent from the Bardis Estate, to the extent and in the manner  
8 required by the provisions of Section 1124(2) of the Bankruptcy Code, as soon as practicable  
9 after such defaults and damages, if any, have been determined by agreement among such  
10 holder and the Plan Agent, or by a Final Order if no such agreement is reached; the maturity  
11 and terms of such Claim, or such other terms as have been agreed upon between such holder  
12 and the Plan Agent, shall be reinstated pursuant to the provisions of Section 1124(2) of the  
13 Bankruptcy Code and shall be the obligation of the Bardis Estate after the Effective Date.

14                   4.10.2. Full Satisfaction: Such Allowed Secured Claim shall be paid in full by the  
15 Plan Agent, or in such lesser amount as may be agreed upon by the holder of such Claim and  
16 the Plan Agent, from the Bardis Estate, as soon as practicable after such Claim becomes an  
17 Allowed Secured Claim, in exchange for which the holder of such Claim shall execute and  
18 deliver to the Plan Agent all appropriate documentation reasonably necessary to evidence and  
19 effectuate a full release and discharge of all liens, security interests and obligations arising  
20 from such Claim.

21                   4.10.3. Abandonment/Return of Collateral. Such holder shall be permitted to  
22 remove, at its own cost and peril and without damage to any other property of the Bardis  
23 Estate, and at a time mutually convenient to such holder and the Plan Agent, such property as  
24 to which it holds a perfected security interest, *provided* that in the event of any dispute  
25 between such holder and the Plan Agent as to the extent, priority, validity or enforceability of  
26 such security interest, such removal shall occur only after such dispute is resolved by a Final  
27 Order. Such holder may file and assert a Claim within Class D2 for any deficiency resulting  
28 from such abandonment and return of collateral, to the extent that such Claim is allowable

1 and enforceable under applicable law, *provided* that a proof of claim therefor is filed with the  
2 Court and served upon the Plan Agent and the Reorganized Debtors within thirty (30) days  
3 following the Effective Date.

4 4.11. Class B2.10 (Travelers Secured Claim). In the event, and to the extent, that the  
5 Travelers Secured Claim is Allowed by the entry of a Final Order, the Plan Agent shall pay to  
6 Travelers funds from the Bardis Tax Refund in an amount equal to such Allowed Travelers Secured  
7 Claim, subject to each of the following terms and conditions:

8 4.11.1. Such payment shall not be distributed by the Plan Agent until the  
9 applicable statute of limitations period has expired or the tax liability has been determined by  
10 a final non-appealable decision, in both cases having the legal effect of preventing any taxing  
11 authority from seeking a return of any portion of the Bardis Tax Refund, *provided, however,*  
12 that nothing herein shall prejudice (i) the right, if any, of Travelers to seek immediate  
13 payment of the Bardis Tax Refund to the extent of its Allowed Secured Claim regardless of  
14 such finality if Travelers obtains a Final Order (a) allowing the Travelers Secured Claim and  
15 (b) determining that its interest in the Bardis Tax Refund is superior to any claim or interest  
16 of the United States, the Internal Revenue Service, the State of California or the California  
17 Franchise Tax Board in or with respect to the Bardis Tax Refund, whether as a matter of  
18 reimbursement, return, audit or challenge of any kind; or (ii) the right of the Plan Agent and  
19 the Reorganized Bardises to defend against such allowance and determination.

20 4.11.2. Travelers' will retain its lien, if any, in the Bardis Tax Refund to secure the  
21 Travelers Secured Claim, to the same extent of amount, priority, validity, avoidability,  
22 enforceability and efficacy as existed as of the Bardis Petition Date (provided that the  
23 foregoing language shall not be deemed to prejudice any contention made by Travelers, the  
24 Plan Agent or the Reorganized Bardises that events occurring after the Petition Date affect  
25 Travelers' lien), until and unless (a) the Allowed Travelers Secured Claim is paid in full in  
26 accordance with the terms of this Plan; or (b) the Travelers Secured claim is disallowed,  
27 avoided, removed or otherwise modified by Final Order of a court of competent jurisdiction  
28 or written agreement.

1                   4.11.3. Until the Travelers Secured Claim has become an Allowed Claim or a  
2 Disallowed Claim, the Plan Agent shall hold the Bardis Tax Refund in reserve to the extent  
3 of \$26,018,351.00 (or such lesser amount that is the amount of the Bardis Tax Refund, if the  
4 Court determines that Travelers' lien is inferior in priority to the taxing authority making  
5 claim to the refund, in whole or in part) without use or distribution, *provided* that such  
6 reserved amount may be reduced (a) with the written consent of Travelers, the Plan Agent  
7 and the Reorganized Bardises; or (b) by an Final Order of the Bankruptcy Court estimating  
8 the Travelers Secured Claim pursuant to applicable provisions of the Bankruptcy Code, upon  
9 a motion as to which all defenses and grounds for opposition are reserved to Travelers,  
10 notwithstanding any other provisions of this Plan.

11                  4.11.4. Nothing in this Section 4.11 shall prejudice or adversely affect (a) the right  
12 of the Plan Agent, the Reorganized Bardises or any other party in interest to seek a surcharge  
13 against any collateral in which Travelers has an interest, including without limitation the  
14 Bardis Tax Refund, pursuant to Section 506(c) of the Bankruptcy Code, for fees or expenses  
15 related to the Bardis Tax Refund, including without limitation attorneys' fees and costs and  
16 the Bardis Tax Incentives.

17                  4.12. Class B1.8 (Wells-Wallace Secured Claim). The holder of the Wells-Wallace  
18 Secured Claim shall be permitted to exercise its right to foreclose upon its collateral, the Wallace  
19 Property, immediately following the Effective Date. Such holder may amend a proof of claim  
20 timely filed in the Reynen Case within Class D1 in order to account for any deficiency to which it is  
21 entitled under enforceable and applicable law, *provided* that an amended proof of claim therefor is  
22 filed with the Court and served upon the Plan Agent and the Reorganized Debtors on or before the  
23 Deficiency Claim Deadline.

24                  4.13. Class B1.1 (Wells-Reno Secured Claim). The holder of the Wells-Reno Secured  
25 Claim shall be permitted to exercise its right to foreclose upon its collateral, the Reno Property,  
26 immediately following the Effective Date. Such holder may amend a proof of claim timely filed in  
27 the Reynen Case within Class D1 in order to account for any deficiency to which it is entitled under  
28 enforceable and applicable law, *provided* that an amended proof of claim therefor is filed with the

1 Court and served upon the Plan Agent and the Reorganized Debtors on or before the Deficiency  
2 Claim Deadline.

3 **ARTICLE V**

4 **TREATMENT OF IMPAIRED CLASSES**

5 Classes of impaired Claims and Interests shall be treated as follows:

6 5.1. Class B1.2 (AKT Secured Claim). Beginning on the tenth (10<sup>th</sup>) day of the first full  
7 calendar month that commences after the Effective Date (the “Initial Interest Payment Date”), and  
8 continuing until the earlier of (a) the tenth (10<sup>th</sup>) day of the twelfth such calendar month (the  
9 “Anniversary Date”) or (b) the date of sale or abandonment of the collateral underlying the AKT  
10 Secured Claim, the El Dorado Property, the Plan Agent shall pay to AKT from the Reynen Estate in  
11 arrears monthly interest accruing on the Allowed AKT Secured Claim at the rate of five percent  
12 (5%) per annum, subject to the following:

13 5.1.1. Abandonment. At any time after the Effective Date, if the Plan Agent  
14 determines that the El Dorado Property is of inconsequential value to the Reynen Estate, the  
15 Plan Agent may abandon the El Dorado Property by written notification to AKT, the Plan  
16 Committee and the Reorganized Debtors. Upon such notification, AKT shall be permitted to  
17 foreclose upon its security interest in the El Dorado Property in accordance with applicable  
18 nonbankruptcy law. In the event of such notification of abandonment, AKT may amend a  
19 prior proof of claim, if such prior proof of claim was timely filed in the Reynen Case, within  
20 Class D1, in order to account for any deficiency to which it is entitled under enforceable and  
21 applicable law, *provided* that an amended proof of claim therefor is filed with the Court and  
22 served upon the Plan Agent and the Reorganized Debtors on or before the thirtieth (30<sup>th</sup>) day  
23 following such notification of abandonment.

24 5.1.2. Reinstatement. On the Anniversary Date, unless the El Dorado Property has  
25 been sold or the Plan Agent has provided notification of abandonment in accordance with  
26 Section 5.1.1 above, any and all defaults owing under the Allowed AKT Secured Claim shall  
27 be Cured, and any and all damages compensated, by the Plan Agent from the Reynen Estate,

1 to the extent and in the manner required by the provisions of Section 1124(2) of the  
2 Bankruptcy Code, as soon as practicable after such defaults and damages, if any, have been  
3 determined by agreement among AKT and the Plan Agent, or by a Final Order if no such  
4 agreement is reached; the maturity and terms of such Claim, or such other terms as have been  
5 agreed upon between AKT and the Plan Agent, shall be reinstated, all defaults and Events of  
6 Default that have occurred shall thereby be deemed cured and all consequences of any such  
7 defaults or Events of Default, including without limitation acceleration of the maturity of  
8 such Claim, shall be reversed and shall be of no effect. In the event that the AKT Secured  
9 Claim has become fully due and payable by its terms (after giving effect to the treatment of  
10 such Claim in the immediately preceding sentence) by such date, then reinstatement and cure  
11 shall require payment in full of such Claim.

12       5.1.3. Early Relief. At any time after the Effective Date until abandonment, full  
13 payment or reinstatement, AKT may seek an order of the Bankruptcy Court, upon twenty-  
14 eight days' notice to the Plan Agent, the Plan Committee and the Reorganized Debtors,  
15 requiring additional payments by the Plan Agent or abandonment of the El Dorado Property,  
16 upon a showing of good cause, including a lack of adequate protection of the AKT Secured  
17 Claim.

18       5.1.4. Lien Retention. AKT shall retain its lien encumbering the El Dorado  
19 Property to secure the AKT Secured Claim, until and unless paid in full in accordance with  
20 the terms of the Plan.

21       5.2. Class B1.3 (Bank of America-Sacramento Secured Claim). Beginning on the Initial  
22 Interest Payment Date and continuing until the earlier of (a) the Anniversary Date or (b) the date of  
23 sale or abandonment of the collateral underlying the Bank of America-Sacramento Secured Claim,  
24 the Sacramento Property, the Reorganized Reynens shall pay to Bank of America from funds outside  
25 of the Reynen Estate in arrears monthly interest accruing on the Allowed Bank of America-  
26 Sacramento Secured Claim at the rate of five percent (5%) per annum, subject to the following:

27       5.2.1. Abandonment. At any time after the Effective Date, the Reorganized  
28 Reynens may abandon the Sacramento Property by written notification to Bank of America,

1 the Plan Committee and the Plan Agent. Upon such notification, Bank of America shall be  
2 permitted to foreclose upon its security interest in the Sacramento Property in accordance  
3 with applicable nonbankruptcy law. In the event of such notification of abandonment, Bank  
4 of America may amend a prior proof of claim, if such prior proof of claim was timely filed in  
5 the Reynen Case, within Class D1, in order to account for any deficiency to which it is  
6 entitled under enforceable and applicable law, *provided* that an amended proof of claim  
7 therefor is filed with the Court and served upon the Plan Agent and the Reorganized Debtors  
8 on or before the thirtieth (30<sup>th</sup>) day following such notification of abandonment.

9       5.2.2.     Reinstatement. On the Anniversary Date, unless the Sacramento Property  
10 has been sold or the Reorganized Reynens have provided notification of abandonment in  
11 accordance with Section 5.2.1 above, any and all defaults owing under the Allowed Bank of  
12 America-Sacramento Secured Claim shall be Cured, and any and all damages compensated,  
13 by the Reorganized Reynens from funds outside of the Reynen Estate, to the extent and in the  
14 manner required by the provisions of Section 1124(2) of the Bankruptcy Code, as soon as  
15 practicable after such defaults and damages, if any, have been determined by agreement  
16 among Bank of America and the Reorganized Reynens, or by a Final Order if no such  
17 agreement is reached; the maturity and terms of such Claim, or such other terms as have been  
18 agreed upon between Bank of America and the Reorganized Reynens, shall be reinstated, all  
19 defaults and Events of Default that have occurred shall thereby be deemed cured and all  
20 consequences of any such defaults or Events of Default, including without limitation  
21 acceleration of the maturity of such Claim, shall be reversed and shall be of no effect. In the  
22 event that the Allowed Bank of America-Sacramento Secured Claim has become fully due  
23 and payable by its terms (after giving effect to the treatment of such Claim in the  
24 immediately preceding sentence) by such date, then reinstatement and cure shall require  
25 payment in full of such Claim.

26       5.2.3.     Early Relief. At any time after the Effective Date until abandonment, full  
27 payment or reinstatement, Bank of America may seek an order of the Bankruptcy Court,  
28 upon twenty-eight days' notice to the Plan Agent, the Plan Committee and the Reorganized

1 Debtors, requiring additional payments by the Reorganized Reynens or abandonment of the  
2 Sacramento Property, upon a showing of good cause, including a lack of adequate protection  
3 of the Bank of America-Sacramento Secured Claim.

4       5.2.4.     Lien Retention. Bank of America shall retain its lien encumbering the  
5 Sacramento Property to secure the Bank of America-Sacramento Secured Claim, until and  
6 unless paid in full in accordance with the terms of the Plan.

7       5.3.     Class B1.4 (CBT Secured Claim). Beginning on the Initial Interest Payment Date and  
8 continuing until the earlier of (a) the Anniversary Date or (b) the date of sale or abandonment of the  
9 collateral underlying the CBT Secured Claim, the Oak Court Property, the Plan Agent shall pay to  
10 CBT from the Reynen Estate in arrears monthly interest accruing on the Allowed CBT Secured  
11 Claim at the rate of five percent (5%) per annum, subject to the following:

12       5.3.1.     Abandonment. At any time after the Effective Date, if the Plan Agent  
13 determines that the Oak Court Property is of inconsequential value to the Reynen Estate, the  
14 Plan Agent may abandon the Oak Court Property by written notification to CBT, the Plan  
15 Committee and the Reorganized Debtors. Upon such notification, CBT shall be permitted to  
16 foreclose upon its security interest in the Oak Court Property in accordance with applicable  
17 nonbankruptcy law. In the event of such notification of abandonment, CBT may amend a  
18 prior proof of claim, if such prior proof of claim was timely filed in the Reynen Case, within  
19 Class D1, in order to account for any deficiency to which it is entitled under enforceable and  
20 applicable law, *provided* that an amended proof of claim therefor is filed with the Court and  
21 served upon the Plan Agent and the Reorganized Debtors on or before the thirtieth (30<sup>th</sup>) day  
22 following such notification of abandonment.

23       5.3.2.     Reinstatement. On the Anniversary Date, unless the Oak Court Property has  
24 been sold or the Plan Agent has provided notification of abandonment in accordance with  
25 Section 5.3.1 above, any and all defaults owing under the Allowed CBT Secured Claim shall  
26 be Cured, and any and all damages compensated, by the Plan Agent from the Reynen Estate,  
27 to the extent and in the manner required by the provisions of Section 1124(2) of the  
28 Bankruptcy Code, as soon as practicable after such defaults and damages, if any, have been

1 determined by agreement among CBT and the Plan Agent, or by a Final Order if no such  
2 agreement is reached; the maturity and terms of such Claim, or such other terms as have been  
3 agreed upon between CBT and the Plan Agent, shall be reinstated, all defaults and Events of  
4 Default that have occurred shall thereby be deemed cured and all consequences of any such  
5 defaults or Events of Default, including without limitation acceleration of the maturity of  
6 such Claim, shall be reversed and shall be of no effect. In the event that the Allowed CBT  
7 Secured Claim has become fully due and payable by its terms (after giving effect to the  
8 treatment of such Claim in the immediately preceding sentence) by such date, then  
9 reinstatement and cure shall require payment in full of such Claim.

10           5.3.3. Early Relief. At any time after the Effective Date until abandonment, full  
11 payment or reinstatement, CBT may seek an order of the Bankruptcy Court, upon twenty-  
12 eight days' notice to the Plan Agent, the Plan Committee and the Reorganized Debtors,  
13 requiring additional payments by the Plan Agent or abandonment of the Oak Court Property,  
14 upon a showing of good cause, including a lack of adequate protection of the CBT Secured  
15 Claim.

16           5.3.4. Lien Retention. CBT shall retain its lien encumbering the Oak Court  
17 Property to secure the CBT Secured Claim, until and unless paid in full in accordance with  
18 the terms of the Plan.

19           5.4. Class B1.5 (Chase Secured Claim). Beginning on the Initial Interest Payment Date  
20 and continuing until the earlier of (a) the Anniversary Date or (b) the date of sale or abandonment of  
21 the collateral underlying the Chase Secured Claim, the Mercedes Vehicle, the Reynen Debtors shall  
22 pay to Chase from funds outside of the Reynen Estate in arrears monthly interest accruing on the  
23 Allowed Chase Secured Claim at the rate of five percent (5%) per annum, subject to the following:

24           5.4.1. Abandonment. At any time after the Effective Date, if the Reynen Debtors  
25 determine that the Mercedes Vehicle is of inconsequential value to the Reynen Debtors, the  
26 Reynen Debtors may abandon the Mercedes Vehicle by written notification to Chase. Upon  
27 such notification, Chase shall be permitted to foreclose upon its security interest in the  
28 Mercedes Vehicle in accordance with applicable nonbankruptcy law. In the event of such

1 notification of abandonment, Chase may amend a prior proof of claim, if such prior proof of  
2 claim was timely filed in the Reynen Case, within Class D1, in order to account for any  
3 deficiency to which it is entitled under enforceable and applicable law, *provided* that an  
4 amended proof of claim therefor is filed with the Court and served upon the Plan Agent and  
5 the Reorganized Debtors on or before the thirtieth (30<sup>th</sup>) day following such notification of  
6 abandonment.

7       5.4.2. Reinstatement. On the Anniversary Date, unless the Mercedes Vehicle has  
8 been sold or the Reynen Debtors have provided notification of abandonment in accordance  
9 with Section 5.4.1 above, any and all defaults owing under the Allowed Chase Secured  
10 Claim shall be Cured, and any and all damages compensated, by the Reynen Debtors from  
11 funds outside of the Reynen Estate, to the extent and in the manner required by the  
12 provisions of Section 1124(2) of the Bankruptcy Code, as soon as practicable after such  
13 defaults and damages, if any, have been determined by agreement among Chase and the  
14 Reynen Debtors, or by a Final Order if no such agreement is reached; the maturity and terms  
15 of such Claim, or such other terms as have been agreed upon between Chase and the Reynen  
16 Debtors, shall be reinstated, all defaults and Events of Default that have occurred shall  
17 thereby be deemed cured and all consequences of any such defaults or Events of Default,  
18 including without limitation acceleration of the maturity of such Claim, shall be reversed and  
19 shall be of no effect. In the event that the Allowed Chase Secured Claim has become fully  
20 due and payable by its terms (after giving effect to the treatment of such Claim in the  
21 immediately preceding sentence) by such date, then reinstatement and cure shall require  
22 payment in full of such Claim.

23       5.4.3. Early Relief. At any time after the Effective Date until abandonment, full  
24 payment or reinstatement, Chase may seek an order of the Bankruptcy Court, upon twenty-  
25 eight days' notice to the Reynen Debtors, requiring additional payments by the Reynen  
26 Debtors or abandonment of the Mercedes Vehicle, upon a showing of good cause, including  
27 a lack of adequate protection of the Chase Secured Claim.

28       5.4.4. Lien Retention. Chase shall retain its lien encumbering the Mercedes

1                   Vehicle to secure the Chase Secured Claim, until and unless paid in full in accordance with  
2                   the terms of the Plan.

3                   5.5. Class B1.6 (Merrill Lynch Secured Claim). Beginning on the Initial Interest Payment  
4 Date and continuing until the earlier of (a) the Anniversary Date or (b) the date of sale of the  
5 collateral underlying the Merrill Lynch Secured Claim, the Sacramento Property, at the contract non-  
6 default rate underlying the Allowed Merrill Lynch Secured Claim, and shall be paid by the  
7 Reorganized Reynens, from funds outside of the Reynen Estate, on said tenth (10<sup>th</sup>) day of the  
8 twelfth full calendar month, unless the Reorganized Reynens abandon the Sacramento Property on or  
9 before that date in accordance with Section 5.5.1 below, subject to the following:

10                  5.5.1. Abandonment. At any time after the Effective Date, the Reorganized  
11                  Reynens may abandon the Sacramento Property by written notification to Merrill Lynch, the  
12                  Plan Committee and the Plan Agent. Upon such notification, Merrill Lynch shall be  
13                  permitted to foreclose upon its security interest in the Sacramento Property in accordance  
14                  with applicable nonbankruptcy law. In the event of such notification of abandonment,  
15                  Merrill Lynch may amend a prior proof of claim, if such prior proof of claim was timely filed  
16                  in the Reynen Case, within Class D1, in order to account for any deficiency to which it is  
17                  entitled under enforceable and applicable law, *provided* that an amended proof of claim  
18                  therefor is filed with the Court and served upon the Plan Agent and the Reorganized Debtors  
19                  on or before the thirtieth (30<sup>th</sup>) day following such notification of abandonment.

20                  5.5.2. Reinstatement. On the Anniversary Date, unless the Sacramento Property  
21                  has been sold or the Reorganized Reynens have provided notification of abandonment in  
22                  accordance with Section 5.5.1 above, any and all defaults owing under the Merrill Lynch  
23                  Secured Claim shall be Cured, and any and all damages compensated, by the Reorganized  
24                  Reynens from funds outside of the Reynen Estate, to the extent and in the manner required  
25                  by the provisions of Section 1124(2) of the Bankruptcy Code, as soon as practicable after  
26                  such defaults and damages, if any, have been determined by agreement among Merrill Lynch  
27                  and the Reorganized Reynens, or by a Final Order if no such agreement is reached; the  
28                  maturity and terms of such Claim, or such other terms as have been agreed upon between

1 Merrill Lynch and the Reorganized Reynens, shall be reinstated, all defaults and Events of  
2 Default that have occurred shall thereby be deemed cured and all consequences of any such  
3 defaults or Events of Default, including without limitation acceleration of the maturity of  
4 such Claim, shall be reversed and shall be of no effect. In the event that the Allowed Merrill  
5 Lynch Secured Claim has become fully due and payable by its terms (after giving effect to  
6 the treatment of such Claim in the immediately preceding sentence) by such date, then  
7 reinstatement and cure shall require payment in full of such Claim.

8       5.5.3. Early Relief. At any time after the Effective Date until abandonment, full  
9 payment or reinstatement, Merrill Lynch may seek an order of the Bankruptcy Court, upon  
10 twenty-eight days' notice to the Plan Agent, the Plan Committee and the Reorganized  
11 Debtors, requiring additional payments by the Reorganized Reynens or abandonment of the  
12 Sacramento Property, upon a showing of good cause, including a lack of adequate protection  
13 of the Merrill Lynch Secured Claim.

14       5.5.4. Lien Retention. Merrill Lynch shall retain its lien encumbering the  
15 Sacramento Property to secure the Merrill Lynch Secured Claim, until and unless paid in full  
16 in accordance with the terms of the Plan.

17       5.6. Class B1.7 (PNB Secured Claim). Beginning on the Initial Interest Payment Date and  
18 continuing until the earlier of (a) the Anniversary Date or (b) the date of sale of the collateral  
19 underlying the PNB Secured Claim, the Pennsylvania Property, at the contract non-default rate  
20 underlying the Allowed PNB Secured Claim, and shall be paid by the Reorganized Reynens, from  
21 funds outside of the Reynen Estate, on said tenth (10<sup>th</sup>) day of the twelfth full calendar month, unless  
22 the Reorganized Reynens abandon the Pennsylvania Property on or before that date in accordance  
23 with Section 5.6.1 below, subject to the following:

24       5.6.1. Abandonment. At any time after the Effective Date, the Reorganized  
25 Reynens may abandon the Pennsylvania Property by written notification to PNB, the Plan  
26 Committee and the Plan Agent. Upon such notification, PNB shall be permitted to foreclose  
27 upon its security interest in the Pennsylvania Property in accordance with applicable  
28 nonbankruptcy law. In the event of such notification of abandonment, PNB may amend a

1 prior proof of claim, if such prior proof of claim was timely filed in the Reynen Case, within  
2 Class D1, in order to account for any deficiency to which it is entitled under enforceable and  
3 applicable law, *provided* that an amended proof of claim therefor is filed with the Court and  
4 served upon the Plan Agent and the Reorganized Debtors on or before the thirtieth (30<sup>th</sup>) day  
5 following such notification of abandonment.

6       5.6.2. Reinstatement. On the Anniversary Date, unless the Pennsylvania Property  
7 has been sold or the Reorganized Reynens have provided notification of abandonment in  
8 accordance with Section 5.6.1 above, any and all defaults owing under the Allowed PNB  
9 Secured Claim shall be Cured, and any and all damages compensated, by the Reorganized  
10 Reynens from funds outside of the Reynen Estate, to the extent and in the manner required  
11 by the provisions of Section 1124(2) of the Bankruptcy Code, as soon as practicable after  
12 such defaults and damages, if any, have been determined by agreement among PNB and the  
13 Reorganized Reynens, or by a Final Order if no such agreement is reached; the maturity and  
14 terms of such Claim, or such other terms as have been agreed upon between PNB and the  
15 Reorganized Reynens, shall be reinstated, all defaults and Events of Default that have  
16 occurred shall thereby be deemed cured and all consequences of any such defaults or Events  
17 of Default, including without limitation acceleration of the maturity of such Claim, shall be  
18 reversed and shall be of no effect. In the event that the Allowed PNB Secured Claim has  
19 become fully due and payable by its terms (after giving effect to the treatment of such Claim  
20 in the immediately preceding sentence) by such date, then reinstatement and cure shall  
21 require payment in full of such Claim.

22       5.6.3. Early Relief. At any time after the Effective Date until abandonment, full  
23 payment or reinstatement, PNB may seek an order of the Bankruptcy Court, upon twenty-  
24 eight days' notice to the Plan Agent, the Plan Committee and the Reorganized Debtors,  
25 requiring additional payments by the Reorganized Reynens or abandonment of the  
26 Pennsylvania Property, upon a showing of good cause, including a lack of adequate  
27 protection of the PNB Secured Claim.

28       5.6.4. Lien Retention. PNB shall retain its lien encumbering the Pennsylvania

1                   Property to secure the PNB Secured Claim, until and unless paid in full in accordance with  
2                   the terms of the Plan.

3                   5.7. [INTENTIONALLY OMITTED].

4                   5.8. Class B1.9 (Wells-Mendocino Secured Claim). Beginning on the Initial Interest  
5                   Payment Date and continuing until the earlier of (a) the Anniversary Date or (b) the date of sale or  
6                   abandonment of the collateral underlying the Wells-Mendocino Secured Claim, the Mendocino  
7                   Property, the Plan Agent shall pay to Wells from the Reynen Estate in arrears monthly interest  
8                   accruing on the Allowed Wells-Mendocino Secured Claim at the rate of five percent (5%) per  
9                   annum, subject to the following:

10                  5.8.1. Abandonment. At any time after the Effective Date, if the Plan Agent  
11                  determines that the Mendocino Property is of inconsequential value to the Reynen Estate, the  
12                  Plan Agent may abandon the Mendocino Property by written notification to Wells, the Plan  
13                  Committee and the Reorganized Debtors. Upon such notification, Wells shall be permitted  
14                  to foreclose upon its security interest in the Mendocino Property in accordance with  
15                  applicable nonbankruptcy law. In the event of such notification of abandonment, Wells may  
16                  amend a prior proof of claim, if such prior proof of claim was timely filed in the Reynen  
17                  Case, within Class D1, in order to account for any deficiency to which it is entitled under  
18                  enforceable and applicable law, *provided* that an amended proof of claim therefor is filed  
19                  with the Court and served upon the Plan Agent and the Reorganized Debtors on or before the  
20                  thirtieth (30<sup>th</sup>) day following such notification of abandonment.

21                  5.8.2. Reinstatement. On the Anniversary Date, unless the Mendocino Property  
22                  has been sold or the Plan Agent has provided notification of abandonment in accordance with  
23                  Section 5.8.1 above, any and all defaults owing under the Allowed Wells-Mendocino  
24                  Secured Claim shall be Cured, and any and all damages compensated, by the Plan Agent  
25                  from the Reynen Estate, to the extent and in the manner required by the provisions of Section  
26                  1124(2) of the Bankruptcy Code, as soon as practicable after such defaults and damages, if  
27                  any, have been determined by agreement among Wells and the Plan Agent, or by a Final  
28                  Order if no such agreement is reached; the maturity and terms of such Claim, or such other

1        terms as have been agreed upon between Wells and the Plan Agent, shall be reinstated, all  
2        defaults and Events of Default that have occurred shall thereby be deemed cured and all  
3        consequences of any such defaults or Events of Default, including without limitation  
4        acceleration of the maturity of such Claim, shall be reversed and shall be of no effect. In the  
5        event that the Allowed Wells-Mendocino Secured Claim has become fully due and payable  
6        by its terms (after giving effect to the treatment of such Claim in the immediately preceding  
7        sentence) by such date, then reinstatement and cure shall require payment in full of such  
8        Claim.

9                5.8.3. Early Relief. At any time after the Effective Date until abandonment, full  
10        payment or reinstatement, Wells may seek an order of the Bankruptcy Court, upon twenty-  
11        eight days' notice to the Plan Agent, the Plan Committee and the Reorganized Debtors,  
12        requiring additional payments by the Plan Agent or abandonment of the Mendocino Property,  
13        upon a showing of good cause, including a lack of adequate protection of the Wells-  
14        Mendocino Secured Claim.

15                5.8.4. Lien Retention. Wells shall retain its lien encumbering the Mendocino  
16        Property to secure the Wells-Mendocino Secured Claim, until and unless paid in full in  
17        accordance with the terms of the Plan.

18                5.9. Class B1.10 (Wells-Truckee Secured Claim). Beginning on the Initial Interest  
19        Payment Date and continuing until the earlier of (a) the Anniversary Date or (b) the date of sale or  
20        abandonment of the collateral underlying the Wells-Truckee Secured Claim, the Truckee Property,  
21        the Plan Agent shall pay to Wells from the Reynen Estate in arrears monthly interest accruing on the  
22        Allowed Wells-Truckee Secured Claim at the rate of five percent (5%) per annum, subject to the  
23        following:

24                5.9.1. Abandonment. At any time after the Effective Date, if the Plan Agent  
25        determines that the Truckee Property is of inconsequential value to the Reynen Estate, the  
26        Plan Agent may abandon the Truckee Property by written notification to Wells, the Plan  
27        Committee and the Reorganized Debtors. Upon such notification, Wells shall be permitted  
28        to foreclose upon its security interest in the Truckee Property in accordance with applicable

1 nonbankruptcy law. In the event of such notification of abandonment, Wells may amend a  
2 prior proof of claim, if such prior proof of claim was timely filed in the Reynen Case, within  
3 Class D1, in order to account for any deficiency to which it is entitled under enforceable and  
4 applicable law, *provided* that an amended proof of claim therefor is filed with the Court and  
5 served upon the Plan Agent and the Reorganized Debtors on or before the thirtieth (30<sup>th</sup>) day  
6 following such notification of abandonment.

7       5.9.2.    Reinstatement. On the Anniversary Date, unless the Truckee Property has  
8 been sold or the Plan Agent has provided notification of abandonment in accordance with  
9 Section 5.9.1 above, any and all defaults owing under the Allowed Wells-Truckee Secured  
10 Claim shall be Cured, and any and all damages compensated, by the Plan Agent from the  
11 Reynen Estate, to the extent and in the manner required by the provisions of Section 1124(2)  
12 of the Bankruptcy Code, as soon as practicable after such defaults and damages, if any, have  
13 been determined by agreement among Wells and the Plan Agent, or by a Final Order if no  
14 such agreement is reached; the maturity and terms of such Claim, or such other terms as have  
15 been agreed upon between Wells and the Plan Agent, shall be reinstated, all defaults and  
16 Events of Default that have occurred shall thereby be deemed cured and all consequences of  
17 any such defaults or Events of Default, including without limitation acceleration of the  
18 maturity of such Claim, shall be reversed and shall be of no effect. In the event that the  
19 Allowed Wells-Truckee Secured Claim has become fully due and payable by its terms (after  
20 giving effect to the treatment of such Claim in the immediately preceding sentence) by such  
21 date, then reinstatement and cure shall require payment in full of such Claim.

22       5.9.3.    Early Relief. At any time after the Effective Date until abandonment, full  
23 payment or reinstatement, Wells may seek an order of the Bankruptcy Court, upon twenty-  
24 eight days' notice to the Plan Agent, the Plan Committee and the Reorganized Debtors,  
25 requiring additional payments by the Plan Agent or abandonment of the Truckee Property,  
26 upon a showing of good cause, including a lack of adequate protection of the Wells-Truckee  
27 Secured Claim.

28       5.9.4.    Lien Retention. Wells shall retain its lien encumbering the Truckee Property

1 to secure the Wells-Truckee Secured Claim, until and unless paid in full in accordance with  
2 the terms of the Plan.

3 5.10. INTENTIONALLY OMITTED].

4 5.11. Classes B2.5, B2.6 and B2.7 (Bank of West-Gold River Secured Claim, BankFirst-  
5 Gold River Secured Claim and First Tennessee Secured Claim). The holders of the Allowed Bardis  
6 Secured Claims within Classes B2.5, B2.6 and B2.7 shall each receive one of the following  
7 treatments of such claim, at the election of the Reorganized Bardises:

8 5.11.1. Avoidance. Within thirty (30) days following the Effective Date, the  
9 Reorganized Bardises may file and serve upon each of such holders a motion or complaint  
10 for avoidance, disallowance or modification of such Bardis Secured Claims, pursuant to the  
11 provisions of Section 522(f) of the Bankruptcy Code or any other provision of law. In the  
12 event that such motion is granted, or such complaint results in judgment in favor of the  
13 Reorganized Bardises, then each of such Bardis Secured Claims shall be disallowed and no  
14 lien arising therefrom shall encumber the Gold River Property.

15 5.11.2. Abandonment. In the event that such motion or complaint as described in  
16 Section 5.11.1 of the Plan is not filed and served within thirty (30) days following the  
17 Effective Date, or if such motion or complaint is timely filed and served but is denied or  
18 results in a judgment in favor of Bank of West, BankFirst or First Tennessee, then the  
19 prevailing holders of the Bardis Secured Claims within Classes B2.5, B2.6 and B2.7 shall be  
20 permitted to exercise their respective rights, if any, to foreclose upon the Gold River Property  
21 immediately following such denial or entry of judgment becoming a Final Order. Each such  
22 holder may amend a proof of claim timely filed in the Bardis Case within Class D2 in order  
23 to account for any deficiency to which it is entitled under enforceable and applicable law,  
24 *provided* that an amended proof of claim therefor is filed with the Court and served upon the  
25 Plan Agent and the Reorganized Debtors within thirty (30) days following such denial or  
26 entry of judgment becoming a Final Order.

27 5.12. Class C1 (Reyzen Convenience Claims). In lieu of treatment within Class D1, and in  
28 full satisfaction and discharge of all Allowed Claims within Class C1, each holder of an Allowed

1 Reynen Convenience Claim that does not make the election described in Section 5.12.1 below, shall  
2 receive payment by the Plan Agent from the Reynen Estate on, or as soon as practicable after, the  
3 Effective Date, or such later date as such Claim becomes an Allowed Claim, in an amount of Cash  
4 equal to five percent (5%) of the amount of such Allowed Convenience Claim, without the accrual  
5 of interest, *provided*:

6           5.12.1. Opt-Out Election. Any holder of a Reynen Convenience Claim may, by  
7 written election actually received by counsel for the Reynen Debtors in accordance with  
8 instructions provided with the Disclosure Statement, on or prior to the deadline for  
9 submission of Ballots, elect to be treated within Class D1.

10           5.12.2. Opt-In Election. A holder of a Reynen Claim in excess of the maximum  
11 amount of Reynen Convenience Claims may, by written election actually received by  
12 counsel for the Reynen Debtors in accordance with instructions provided with the Disclosure  
13 Statement, on or prior to the deadline for submission of Ballots, reduce such Claim to such  
14 maximum amount, in which case such Claim shall be treated as a Reynen Convenience  
15 Claim. In the event of such election, such excess amount of such Claim shall be deemed  
16 fully released, waived and discharged.

17           5.13. Class C2 (Bardis Convenience Claims). In lieu of treatment within Class D2, and in  
18 full satisfaction and discharge of all Allowed Claims within Class C2, each holder of an Allowed  
19 Bardis Convenience Claim that does not make the election described in Section 5.13.1 below, shall  
20 receive payment by the Plan Agent from the Bardis Estate on, or as soon as practicable after, the  
21 Effective Date, or such later date as such Claim becomes an Allowed Claim, in an amount of Cash  
22 equal to five percent (5%) of the amount of such Allowed Convenience Claim, without the accrual  
23 of interest, *provided*:

24           5.13.1. Opt-Out Election. Any holder of a Bardis Convenience Claim may, by  
25 written election actually received by counsel for the Reynen Debtors in accordance with  
26 instructions provided with the Disclosure Statement, on or prior to the deadline for  
27 submission of Ballots, elect to be treated within Class D1.

28           5.13.2. Opt-In Election. A holder of a Bardis Claim in excess of the maximum

1 amount of Bardis Convenience Claims may, by written election actually received by counsel  
2 for the Reynen Debtors in accordance with instructions provided with the Disclosure  
3 Statement, on or prior to the deadline for submission of Ballots, reduce such Claim to such  
4 maximum amount, in which case such Claim shall be treated as a Bardis Convenience Claim.  
5 In the event of such election, such excess amount of such Claim shall be deemed fully  
6 released, waived and discharged.

7 5.14. Class D1 (Reynen Unsecured Claims). The principal amount of all Allowed Claims  
8 within Class D1 shall be paid by the Plan Agent as follows: Each holder of an Allowed Claim  
9 within Class D1 shall receive payments upon such Allowed Claim by the Plan Agent from funds of  
10 the Reynen Estate on a *pro rata* basis, from time to time as the Plan Agent, with the advice and  
11 approval of the Plan Committee, shall determine appropriate, until the earlier of (a) payment in full  
12 of such Allowed Claim; or (b) exhaustion of funds and assets of material value within the Reynen  
13 Estate.

14 5.15. Class D2 (Bardis Unsecured Claims). The principal amount of all Allowed Claims  
15 within Class D2 shall be paid by the Plan Agent as follows: Each holder of an Allowed Claim  
16 within Class D2 shall receive payments upon such Allowed Claim by the Plan Agent from funds of  
17 the Bardis Estate on a *pro rata* basis, from time to time as the Plan Agent, with the advice and  
18 approval of the Plan Committee, shall determine appropriate, until the earlier of (a) payment in full  
19 of such Allowed Claim; or (b) exhaustion of funds and assets of material value within the Bardis  
20 Estate.

21 5.16. Class E1 (Reynen Interests). As of the Effective Date, each of the Reynen Excluded  
22 Assets shall be deemed revested in the Reorganized Reynens, free and clear of all claims, liens,  
23 charges or other rights of creditors of the Reynen Estate, except as expressly set forth in the Plan.

24 5.17. Class E2 (Bardis Interests). As of the Effective Date, each of the Bardis Excluded  
25 Assets shall be deemed revested in the Reorganized Bardises, free and clear of all claims, liens,  
26 charges or other rights of creditors of the Bardis Estate, except as expressly set forth in the Plan.

27 **ARTICLE VI**  
28

## **EXECUTORY CONTRACTS**

6.1. Generally. Unexpired executory contracts, including without limitation unexpired leases, entered into by any of the Debtors prior to their respective Petition Date, shall be treated in the manner set forth in this Article VI.

6.2. Assumption and Rejection. The assumption and rejection of executory contracts shall be determined as follows:

6.2.1. Assumption Schedule. Prior to the conclusion of the Confirmation Hearing, the Debtor Group shall file with the Bankruptcy Court, and serve upon the United States Trustee, the Committee, all parties requesting special notice and each party to a contract identified therein, a schedule (“Schedule 6.2.1”) identifying each executory contract to be assumed by the Plan Agent, on behalf of either the Reynen Estate or the Bardis Estate, as of the Effective Date, *provided* that if no such contracts are to be assumed as of the Effective Date, no such schedule need be filed or served. Subject to the provisions of Section 6.8 below, each executory contract identified on Schedule 6.2.1 shall be deemed assumed as of the Effective Date.

6.2.2. Rejection. Except as otherwise provided elsewhere in the Plan or by the terms of the Confirmation Order, as of the Effective Date, all executory contracts shall be deemed rejected as of the Effective Date, except for any executory contract (i) which is listed on Schedule 6.2.1 to be assumed, (ii) which has been assumed by the Debtor Group pursuant to an order of the Court granting a motion filed by the Debtor Group prior to the Effective Date, or (iii) which has been rejected pursuant to an order of the Bankruptcy Court or by applicable law prior to the Effective Date.

6.3. Cure Amounts. Schedule 6.2.1 shall also identify (a) the Cure amount that the Debtor Group believes is owing pursuant to Section 365(b)(1) of the Bankruptcy Code for each executory contract to be assumed by the Plan Agent as of the Effective Date, and (b) the adequate assurance of future performance to be provided with respect to such executory contract, *provided* that such Schedule 6.2.1.

6.3.1. Objections. Within ten (10) days following the Effective Date, any party to

1 an executory contract to be assumed as of the Effective Date may file, and serve upon the  
2 Reorganized Debtors, the Plan Agent and the Plan Committee, an objection to Schedule 6.2.1  
3 (or the absence of Schedule 6.2.1) to the extent that such party disputes the Cure amount  
4 stated for a particular contract, or disputes the adequacy of proffered assurance of future  
5 performance. The Reorganized Debtors shall schedule hearings and briefing before the  
6 Bankruptcy Court with respect to any such disputes not consensually resolved, as soon as  
7 practicable after the Effective Date and in accordance with applicable Bankruptcy Rules.

8       6.3.2. Resolution. The amounts set forth in Schedule 6.2.1 shall be conclusively  
9 presumed to be the amounts of Cure, if any, for each contract identified therein, and it shall  
10 be conclusively presumed that no Cure amounts are owed other than those (if any) identified  
11 in Schedule 6.2.1, unless, and except to the extent that, an objection is timely filed and served  
12 in accordance with the provisions of Section 6.3.1. Any amount of Cure in excess of those  
13 set forth in the Schedule 6.2.1 or such timely filed objections shall be fully discharged and  
14 barred, and shall not be a liability of either the Reynen Estate or the Bardis Estate to any  
15 extent.

16       6.4. Payment of Cure. Subject to the provisions of Section 6.8 below, any and all Cash  
17 payments necessary to Cure a default existing under an executory contract assumed pursuant to the  
18 provisions of Section 6.1 herein shall be paid by the Plan Agent, with funds of the Estate assuming  
19 such executory contract, on or before the latest of the following dates: (a) within twenty-one (21)  
20 days following the Effective Date, or on such later date as to which the holder of the right to such  
21 Cure may have consented; (b) on the date that any disputes regarding the Cure amount have been  
22 resolved by a Final Order; or (c) on the date when such Cure of defaults becomes due according to  
23 contractual, statutory or other terms applicable thereto.

24       6.5. Approval of Assumption or Rejection. Subject to the provisions of Section 6.8  
25 below, entry of the Confirmation Order shall constitute (i) the approval, pursuant to the provisions of  
26 Section 365(a) of the Bankruptcy Code, of the assumption of the executory contracts assumed  
27 pursuant to the provisions of Section 6.1 hereinabove; (ii) the extension of time pursuant to the  
28 provisions of Section 365(d)(4) of the Bankruptcy Code, to the extent necessary, within which the

1 Debtors may assume or reject the executory contracts specified in Section 6.1 hereinabove through  
2 the Effective Date; and (iii) the approval, pursuant to the provisions of Section 365(a) of the  
3 Bankruptcy Code, of the rejection of the executory contracts rejected pursuant to the provisions of  
4 Section 6.2 hereinabove.

5       6.6. Bar Date for Rejection Claims. Except to the extent that the Bankruptcy Court, the  
6 Bankruptcy Code or the Bankruptcy Rules may establish an earlier deadline with regard to the  
7 rejection of executory contracts, any Claims arising out of the rejection of executory contracts  
8 pursuant to the provisions of Section 6.2 herein must be filed with the Bankruptcy Court and served  
9 upon the Plan Agent, the Plan Committee and the Reorganized Debtors no later than the later of (i)  
10 thirty (30) days after the Effective Date, or (ii) thirty (30) days after the Plan Agent provides the  
11 written notice of rejection set forth in Section 6.8 below, if applicable. Any Claims not filed within  
12 such time will be forever barred from assertion. Any Claims arising from the rejection of executory  
13 contracts (a) may be asserted only to the extent permitted by Section 365(g) of the Bankruptcy Code;  
14 and (b) shall be classified and treated within Classes C1, C2, D1 or D2, as the case may be.

15       6.7. Assignment of Assumed Contracts. Any executory contracts assumed by the Plan  
16 Agent pursuant to the provisions of this Article VI, or by other orders of the Court, may be assigned  
17 to a third party or to the Reorganized Debtors pursuant to the provisions of Section 365 of the  
18 Bankruptcy Code at any time after the Effective Date, upon notice and opportunity for hearing  
19 provided by the Plan Agent to the other party to such contract.

20       6.8. Plan Agent Review. Notwithstanding the identification of an executory contract  
21 within Schedule 6.2.1 to be assumed, no such contract shall be assumed, and no Cure payment shall  
22 be made upon such contract, if with respect to such contract (a) a timely objection to cure amount or  
23 adequate assurance of future performance is filed and served in accordance with Section 6.3.1 above;  
24 (b) the Bankruptcy Court sustains such objection in whole or in part; and (c) the Plan Agent provides  
25 written notice to the non-debtor party to such contract, to the Reorganized Debtors and to the Plan  
26 Committee within ten (10) Business Days after the entry of an order of the Bankruptcy Court  
27 containing such ruling, that such contract shall be rejected.

28

## ARTICLE VII

### **MEANS FOR EXECUTION OF THE PLAN**

7.1. Plan Effectiveness. The Plan shall become fully effective and binding upon all parties on the Effective Date.

7.2. Appointment and Qualification of Plan Agent. The Plan Agent shall be a person mutually agreed upon by the Committee and the Debtor Group, or, absent such agreement, appointed by the Court upon motion of the Committee, *provided* that: (a) the Plan Agent shall obtain a fidelity bond for his or her services under the Plan, at the Estates' expense, and shall be independent and have sufficient business experience to make knowledgeable business judgments related to the implementation of the Plan; and (b) at any time after the Effective Date, the Plan Agent may be removed and replaced by the Plan Committee, with the reasonable approval of the Reorganized Debtors. The Plan Agent shall be compensated for all of his or her services in implementation of the Plan pursuant to terms agreed upon between such Plan Agent and the Plan Committee and reasonably approved by the Reorganized Debtors, as disclosed prior to the conclusion of the hearing regarding approval of the Disclosure Statement.

7.3. Duties and Powers of Plan Agent. The Plan Agent shall commence services as of the Effective Date, and shall continue to perform his duties until completion of the final distribution to be made in implementation of the Plan, or until removed pursuant to the terms of the Plan. The Plan Agent shall act in each of the Reynen Case and the Bardis Case, and shall keep separate accounts, books and records for each of the Estates. The Plan Agent shall be responsible for the implementation of the Plan, and shall have the following duties, powers and authorities in order to do so:

7.3.1. Directing Reorganized Debtors. The Plan Agent shall monitor and direct the efforts of the Reorganized Debtors, who will, to the extent reasonably requested by the Plan Agent and consistent with the terms of the Plan, assist the Plan Agent in implementation of the Plan. The Plan Agent shall be given full, reasonable cooperation by the Reorganized Debtors, including without limitation providing ready access to the Plan Agent to the books and records of the Reorganized Debtors, Buildco and all Existing Affiliates.

1                   7.3.2. Implementation. The Plan Agent shall take any and all actions reasonably  
2 necessary or appropriate in order to implement and administer the terms of the Plan,  
3 including without limitation negotiating for and entering into settlements, forbearance  
4 agreements and compromises, negotiating and closing asset sales, and generally taking  
5 actions consistent with the terms of the Plan, all in accordance with the terms of the Plan.

6                   7.3.3. Claims. The Plan Agent shall file, prosecute and settle estate avoidance  
7 claims and objections to Claims, and requested estimations of Claims, in accordance with the  
8 terms of the Plan, including the terms of Section 7.21 of the Plan.

9                   7.3.4. Distributions. The Plan Agent shall make distributions to creditors from  
10 time to time in accordance with the terms of the Plan.

11                  7.3.5. Use of Funds. The Plan Agent shall manage all funds of the Estates and  
12 shall use such funds, as appropriate, to obtain and pay for appropriate insurance coverages  
13 and indemnification of the Plan Agent, the Plan Committee, each of the members of the Plan  
14 Committee, the Reorganized Debtors, and their respective professionals, and to pay  
15 administrative costs of Plan implementation, all in accordance with the terms of the Plan.

16                  7.3.6. Assets. The Plan Agent shall collect, receive, manage and dispose of all  
17 assets of the Estates.

18                  7.3.7. Bank Accounts. The Plan Agent shall open and maintain bank accounts for  
19 the benefit of the Estates in accordance with the terms of the Plan.

20                  7.3.8. Tax Refunds. In the event that the Debtor Group does not initiate a motion,  
21 complaint or other process to resolve the propriety and finality of refunds arising under the  
22 Subject Tax Returns prior to the Effective Date, the Plan Agent may take such action to the  
23 extent reasonably necessary in order to reach such resolution promptly.

24                  7.4. Buildco Operations and Budget. The Plan Agent shall make advances to Buildco in  
25 accordance with the terms of the Buildco Budget and any attachment thereto, subject to each of the  
26 following terms and conditions:

27                  7.4.1. Consensual Budget Modifications. The Buildco Budget shall be modified  
28 upon either (a) the request of the Plan Agent and the reasonable approval of the Reorganized

1 Debtors or (b) the request of the Reorganized Debtors and the reasonable consent of the Plan  
2 Agent, *provided* that the consent of the Plan Committee shall be required as to any  
3 modification of individual line items of the Buildco Budget that increases such item by more  
4 than ten percent (10%) and \$25,000.00.

5       7.4.2. Build-Outs. Build-outs of development or construction projects of Existing  
6 Affiliates by Buildco will be subject to the reasonable consent of the Plan Agent, after  
7 procuring any necessary consents from project lenders on the underlying projects, and after  
8 procuring any financing from such project lenders necessary to cover further construction of  
9 such projects. Newco will not be obligated to provide any such funding and will be  
10 prohibited from using any Newco funds for any "hard" construction costs (as such term is  
11 generally understood in the construction industry) or soft costs in excess of those already  
12 provided in the Buildco Budget, unless reasonably approved by the Plan Agent and the Plan  
13 Committee. R&B will be similarly restricted as to use of any funds provided by the Estates  
14 prior to the Effective Date, or by the Plan Agent thereafter. Buildco will complete such  
15 project build-outs through 2009, and no later without the reasonable consent of the Plan  
16 Agent.

17       7.4.3. Tax Returns. Buildco shall share responsibility with the Reorganized  
18 Debtors for timely preparing, filing, defending and prosecuting the Subject Tax Returns for  
19 the benefit of the Estates.

20       7.4.4. Shared Funding By Estates. Buildco will receive initial working capital  
21 funding from the Estates or entities owned by the Estates pursuant to the terms of the Buildco  
22 Budget, with 50% of such funding paid from the Bardis Estate and 50% of such funding paid  
23 from the Reynen Estate, *provided* that the Bardis Estate shall reimburse the Reynen Estate  
24 for its 50% share of all funds transferred by the Reynen Estate, or entities owned by the  
25 Reynen Estate, to Buildco from October 2008 until the Effective Date, and for any  
26 allocations to the Bardis Estate of fees and other expenses paid by the Reynen Estate, with all  
27 such reimbursements being made as soon as the Bardis Estate, in the Plan Agent's  
28 determination, has sufficient available funds with which to make such reimbursements.

1                   7.4.5. Nonconsensual Budget Modifications. In the event that either of the  
2 following two events occur, the Plan Agent shall have the right to modify the Estates'  
3 funding of the Buildco Budget without the consent of the Reorganized Debtors or Buildco,  
4 including the right to cease such funding altogether, subject to the Plan Committee's consent,  
5 even if doing so will lead to the immediate cessation and liquidation of Buildco's operations:  
6 (a) if Buildco is unable to achieve the monthly Ending Cash Balance shown in the Buildco  
7 Budget to within an average of ten percent (10%) for any rolling three-month period, or  
8 within an average of twenty percent (20%) for any rolling two month period; or (b)  
9 commencing on the earlier of February 1, 2009 or the Effective Date, if Buildco is unable to  
10 achieve within twenty percent (20%) of the Cumulative Net Revenue shown in the Buildco  
11 Budget beginning October 1, 2008 through December 31, 2009, measured cumulatively at  
12 each calendar month end within such timeframe.

13                   7.4.6. Prohibited Activities. Absent the consent of the Plan Agent, Newco shall not  
14 be used for any purpose other than providing Assistance Efforts and neither the Plan Agent  
15 nor the Estates shall be obligated to fund any activities of either R&B or Newco other than  
16 Assistance Efforts. The Plan Agent shall be provided reasonable access to Buildco  
17 employees and shall be granted access to any Buildco information regarding the activities  
18 and time devoted thereto of Buildco employees upon the reasonable request of the Plan  
19 Agent. In addition, if Buildco determines that the employment of any of its employees  
20 should be reduced to part-time employment or determines that such employment is no longer  
21 necessary to provide the Plan Agent with Assistance Efforts, or if the Plan Agent reasonably  
22 determines that the personnel levels of R&B or Newco that are being funded by the Estates  
23 are excessive, then the Estates' funding of the Buildco Budget shall be reduced to reflect the  
24 lower salary expenses of Buildco, except to the extent already anticipated in the Buildco  
25 Budget.

26                   7.4.7. Closure. Once its Assistance Efforts with respect to the Subject Tax Returns  
27 and its project buildouts are completed, Newco will close, unless the Reorganized Debtors  
28 and the Plan Agent agree to continue or otherwise dispose of Newco's operations.

1       7.5. Plan Committee. The Plan Committee shall be comprised of three or five unsecured  
2 creditors selected by the Committee, disclosed in the Disclosure Statement and approved by the  
3 Bankruptcy Court in connection with confirmation of the Plan, and shall become effective as of the  
4 Effective Date. The Plan Committee shall operate pursuant to bylaws disclosed in the Disclosure  
5 Statement and approved by the Bankruptcy Court in connection with confirmation of the Plan, which  
6 bylaws shall provide for, among other things, the resignation and replacement of members of the  
7 Plan Committee, the compensation of such members and reimbursement of expenses of such  
8 members. Neither members of the Plan Committee nor the representatives of such members  
9 (including employees, attorneys, accountants, consultants and the like) shall be held personally liable  
10 for any claim asserted against the Plan Committee, any member of the Plan Committee, the  
11 representatives of any member of the Plan Committee, the Plan Agent or any of the Reorganized  
12 Debtors. The Plan Committee shall oversee the decisions of the Plan Agent, and shall have the  
13 following rights and duties:

14           7.5.1. removing the Plan Agent with the reasonable consent of the Reorganized  
15 Debtors;

16           7.5.2. selecting a successor Plan Agent with the reasonable consent of the  
17 Reorganized Debtors;

18           7.5.3. approving the retention of legal counsel and financial advisors for the Plan  
19 Agent, as nominated by the Plan Agent, the costs of which shall be paid by the Estates and  
20 allocated between the Estates in accordance with other terms of the Plan;

21           7.5.4. approving any sale proposed by the Plan Agent where the net sales  
22 proceeds are eighty-five percent (85%) or less than the Estimated Liquidation Case Amount  
23 net proceeds, or exceed \$250,000 in net proceeds;

24           7.5.5. reasonably approving any transfer to the Reorganized Debtors or their  
25 affiliates, as proposed by the Plan Agent;

26           7.5.6. approving the initiation of any litigation (not including the initiation of an  
27 objection to, or estimation of, a creditor claim, *provided, however,* that the initiation of  
28 claims objections or estimations by the Reorganized Debtors shall be subject to the approval

1 of the Plan Agent, subject to the provisions of Section 7.21 of the Plan), or the compromise  
2 or settlement of any litigation or controverted matters proposed by the Plan Agent, to the  
3 extent that it is (a) of a creditor claim in a filed or scheduled amount in excess of  
4 \$5,000,000.00; or (b) of litigation commenced or to be commenced by the Plan Agent or  
5 either of the Estates seeking recovery in excess of \$100,000.00;

6 7.5.7. providing consent to modifications of the Buildco Budget to the extent  
7 required under Sections 7.4.1, 7.4.2 and 7.4.5 of the Plan;

8 7.5.8. reasonably approving the filing of the Subject Tax Returns, to the extent  
9 such action is proposed to be taken after the Effective Date;

10 7.5.9. temporarily exercising the powers and authorities of the Plan Agent, should  
11 the existing Plan Agent be removed or become incapacitated, but only until a replacement  
12 Plan Agent is appointed, and in connection therewith, prompt efforts shall be made by the  
13 Plan Committee to select and install such replacement Plan Agent; and

14 7.5.10. retaining counsel and other professionals with approval of the Bankruptcy  
15 Court in the event of any dispute between the Plan Committee and the Plan Agent, but only  
16 for the purpose of advising the Plan Committee and representing the Plan Committee with  
17 respect to that particular dispute.

18 7.6. Reorganized Debtors' Duties. After the Effective Date, the Reorganized Debtors  
19 shall have the following duties to their respective Estates (collectively, the "Assistance Efforts"), and  
20 no others:

21 7.6.1. In General. Subject to each of the conditions and limitations set forth  
22 elsewhere in this Section 7.6, during their respective Sale Periods, the Reorganized Debtors,  
23 individually and through Buildco, shall diligently and continuously use their reasonable best  
24 efforts to assist the Plan Agent in the implementation and administration of the Plan,  
25 specifically including providing material assistance to the Plan Agent in the marketing and  
26 sale or other disposition of the assets of the Estates, objecting to proofs of claim filed in the  
27 Chapter 11 Cases, prosecuting and trying to conclusion, if necessary, such objections to  
28 proofs of claims, assisting the Plan Agent in identifying avoidance claims that may be

1 available to the Estates, and taking actions necessary to cause deficiency claims of secured  
2 creditors holding personal guarantees of the Debtor Group to be allowed in appropriately  
3 reduced amounts, and the prosecution, if necessary, of the Subject Tax Returns.

4           7.6.2.    Sale Efforts. The Reorganized Debtors shall use their best reasonable  
5 efforts to assist the Plan Agent in the sale or other disposition of all assets of their respective  
6 Estates other than the Excluded Assets. Such efforts shall include consultations with respect  
7 to pricing and marketing, and assistance in the negotiation of proposed sales or other  
8 dispositions. Such services shall not include the services of a licensed broker or agent (who  
9 may be employed by the Plan Agent separately), and shall not require any expenditure of  
10 costs by the Reorganized Debtors unless promptly reimbursed or advanced by the Plan Agent  
11 from funds of the Estates.

12           7.6.3.    Subject Tax Returns. The Reorganized Debtors, together with Buildco,  
13 shall use their best reasonable efforts, energies and resources, to defend and prosecute the  
14 Subject Tax Returns (including, but not limited to, the amended income tax returns and  
15 claims for refund of the SPEs in order to obtain permitted tax refunds for the benefit of the  
16 Estates), and to obtain the maximum amount possible on account of the Estates' tax refunds,  
17 *provided* that such efforts shall not include any expenditure of costs by the Reorganized  
18 Debtors or Buildco unless promptly reimbursed or advanced by the Plan Agent from funds of  
19 the Estates. In particular, the Reorganized Debtors will prepare and file Form 1045 and/or  
20 amended income tax returns on Form 1040x for the 2005 and 2006 tax years (specifically  
21 including Form 1045 which carries back 2007 losses to the 2005 tax year) in a manner  
22 required by the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").  
23 The Reorganized Debtors will use its best efforts to cause the Internal Revenue Service to  
24 promptly audit and review such returns and obtain a "determination" (within the meaning of  
25 Section 1313(a) of the Internal Revenue Code) or other like final decision with respect to  
26 such tax years including, but not limited to, by means of Bankruptcy Code Section 505, a  
27 closing agreement, or other process allowable pursuant to the Internal Revenue Code and/or  
28 the Bankruptcy Code. The Reorganized Debtors will take actions to reasonably ensure that

1 all such tax refunds will be paid directly to the Plan Agent. The Plan Agent shall have the  
2 right to review all such tax returns prior to filing, if filed after the Effective Date, and the  
3 Reorganized Debtors and Buildco shall make changes to such tax returns prior to their filing  
4 as reasonably requested by the Plan Agent.

5       7.6.4.    Claims Review and Objections. The Reorganized Debtors shall assist in  
6 the review of, objection to, and requested estimation of, Claims filed against the Estates, as  
7 warranted, *provided* that the Reorganized Debtors shall have the right, but not the obligation,  
8 to file and prosecute formal objections to, or requests for estimations of, Claims in  
9 accordance with the terms of Section 7.21 of the Plan.

10       7.6.5.    Estate Property. To the extent that the Reorganized Debtors come into  
11 possession of any proceeds of the sale or other disposition of the Estates' assets or otherwise  
12 comes into possession of any assets or monies belonging to either Estate or the Plan Agent,  
13 the Reorganized Debtors shall promptly turn over all such proceeds to the Plan Agent.

14       7.7.    Reorganized Debtors' Compensation and Incentives. Subject to the provisions of  
15 Section 7.8 of the Plan with respect to suspension of payments, the Reorganized Debtors shall be  
16 paid compensation and incentives by the Plan Agent, from funds of the Estates, as follows:

17       7.7.1.    Sale Period Compensation. During their respective Sale Periods, on the  
18 continuing condition that the Reynen Debtors or the Bardis Debtors, as the case may be,  
19 continue to devote their full-time, substantial (to the extent needed) efforts to the sale of  
20 assets of the Estates (other than Excluded Assets), the Reynen Debtors and the Bardis  
21 Debtors will be paid from funds of their respective Estates (subject to the Estates having  
22 sufficient funds, after establishing reasonable reserves, to make such payments), as  
23 compensation for such efforts (and in lieu of any salaries or any form of direct or indirect  
24 compensation or reimbursement (other than reimbursements to be made by the respective  
25 Estates for the reasonable out-of-pocket expenses paid by the Reorganized Debtors for  
26 expenses reasonably and necessarily incurred in connection with the Assistance Efforts) that  
27 would otherwise be paid by any Existing Affiliate, including Buildco), in the following  
28

1 manner: Beginning as of the Effective Date and ending May 31, 2010,<sup>1</sup> \$30,000 per month  
2 for the Reynen Debtors and \$30,000 per month for the Bardis Debtors, until December 31,  
3 2009, and then \$15,000 per month for the Reynen Debtors and \$15,000 per month for the  
4 Bardis Debtors, for each of the following five (5) months, totaling \$315,000 for each of the  
5 Reynen Debtors and the Bardis Debtors, or \$630,000 in total (the “Sale Period  
6 Compensation”); *provided* that (i) by mutual agreement, the Plan Agent and the Reynen  
7 Debtors and/or the Bardis Debtors, as appropriate, may extend the Sale Period as to one or  
8 both of the Estates upon such terms as each approves and with consent from the Plan  
9 Committee; and (ii) absent such agreement, the Reorganized Debtors’ obligations to provide  
10 the aforementioned sale efforts will terminate upon the expiration of the applicable Sale  
11 Period.

12           7.7.2.    Claim Reduction Incentives. The Reorganized Debtors shall collectively  
13 earn and be paid by the Plan Agent from funds of the Estates (and shall share between the  
14 Bardis Debtors and the Reynen Debtors on a 50/50 basis), cash incentives (the “Claim  
15 Reduction Incentives”) equal to a percentage of the differences between the Estimated  
16 Liquidation Case Amounts and the actual allowed amount of Claims, according to the Claim  
17 Reduction Table. In order to qualify for such measurements, any claim reduction must be  
18 accomplished no later than March 31, 2010, *provided* that the Plan Agent shall have  
19 discretion to extend such deadline as he deems necessary or reasonable, and *provided* further,  
20 the Plan Agent shall not unreasonably withhold his or her consent to such extensions on  
21 account of events outside of the control of the Reorganized Debtors, e.g., protracted court  
22 process or appeals. The Claim Reduction Incentives will be paid to the Reorganized Debtors  
23 or their nominees as soon as practicable after each distribution is made to holders of Allowed  
24 Claims in Class D of the Plan. Interest income shall be earned and accrue on the Claim  
25

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26           <sup>1</sup> Should the Effective Date be subsequent to May 1, 2009, the Sale Period Compensation monthly payments will be  
27 adjusted, for the Reynen Debtors and the Bardis Debtors separately, so that the initial payment is increased to include all  
28 periods from May 1, 2009 to the Effective Date, and decreased by the Offsetting Personal Expenses of the Reynen  
Debtors and the Bardis Debtors, respectively. The total Sale Period Compensation will not exceed \$315,000, less  
applicable Offsetting Personal Expenses, for each of the Reynen Debtors and the Bardis Debtors regardless of when the  
Effective Date occurs, absent the consent of the Plan Committee and the Plan Agent.

1 Reduction Incentives beginning ten (10) calendar days after disbursement of each  
2 distribution to Class D creditors under the Plan and shall end upon receipt of the Claim  
3 Reduction Incentives by the Reorganized Debtors. In no circumstance shall the Reorganized  
4 Debtors receive a Step Incentive Payment to the extent that the amount of such Step  
5 Incentive Payment would exceed thirty percent (30%) of the amount that the Estates (on an  
6 aggregate basis) would have paid in distributions under the Plan on account of the associated  
7 Deficiency Reduction Amount.

8           7.7.3.    Tax Refund Incentives. Subject to the provisions of Sections 7.8 and 7.9 of  
9 the Plan regarding the timing of payments, the Reorganized Debtors shall be paid by the Plan  
10 Agent from funds of the Estates cash incentives based upon Net Refunds received by the  
11 Estates on account of the Subject Tax Returns (the “Tax Refund Incentives”), as follows:

12           7.7.3.1.    Reylen Debtors. For the Reylen Debtors, zero percent (0%) for  
13 Net Refunds arising from the Reylen Tax Returns equal to or below \$7,000,000; five  
14 percent (5%) of such Net Refunds between \$7,000,001 and \$15,000,000, inclusive;  
15 and eleven percent (11%) of such Net Refunds over \$15,000,000.

16           7.7.3.2.    Bardis Debtors. For the Bardis Debtors, zero percent (0%) for Net  
17 Refunds arising from the Bardis Tax Returns equal to or below \$10,500,000; five  
18 percent (5%) of such Net Refunds between \$10,500,001 and \$18,500,000, inclusive,  
19 less \$397,460 from such five percent, and eleven percent (11%) of such Net Refunds  
20 over \$18,500,000.

21           7.7.4.    Death or Incapacity of John D. Reylen or Christo Bardis. In the event that  
22 John D. Reylen or Christo Bardis dies or otherwise becomes permanently incapacitated prior  
23 to the receipt of the Tax Refund Incentives, then: (a) Judith Reylen or Sara Bardis, as the  
24 case may be, shall continue to be entitled to receive the Tax Refund Incentives in accordance  
25 with the terms of the Plan; (b) the obligation of the Estate to pay the Sale Period  
26 Compensation to the Reylen Debtors or the Bardis Debtors, as the case may be, as to future  
27 months, shall terminate as of the date of such death or permanent incapacity; and (c) the  
28 Claim Reduction Incentive shall be fixed as to the Reylen Debtors’ or the Bardis Debtors’

1 Share, as the case may be, as of the date of such death or permanent incapacity, if such date  
2 shall occur prior to completion of deficiency reductions.

3       7.8. Suspension of Reorganized Debtors' Payments. Subject to the last sentence of this  
4 section, but notwithstanding any provisions of any other section of the Plan, if at any time the Plan  
5 Agent determines, in the exercise of his reasonable discretion, that the Reorganized Debtors or  
6 Buildco have materially failed, or are materially failing, to perform their obligations under the terms  
7 of the Plan (the "Default Event"), then with the consent of the Plan Committee, the Plan Agent may  
8 withhold or terminate any further payments to be made under Sections 7.4 or 7.7 of the Plan to  
9 Buildco, the Reynen Debtors, the Bardis Debtors, or all, consistent with the reasonable  
10 determination made by the Plan Agent as to whose failure to perform is involved, including but not  
11 limited to suspending or terminating: (i) any further payments of Sale Period Compensation, (ii) any  
12 further funding of Buildco, (iii) payment of any further Claim Reduction Incentives, and (iv)  
13 payment of any further Tax Refund Incentives. If the Bardis Debtors, the Reynen Debtors or  
14 Buildco dispute the determination made by the Plan Agent, then each may bring the matter before  
15 the Bankruptcy Court on a shortened-notice basis for a determination by the Bankruptcy Court of  
16 whether the discretion exercised by the Plan Agent in making such a determination was  
17 unreasonable. The Plan Agent may take action consistent with the first sentence of this section only  
18 if: (a) any suspension of payments or funding by the Plan Agent is directly related to the Default  
19 Event (e.g., a failure to provide appropriate efforts related to the sale of the Estates' assets, but not  
20 related to efforts to obtain tax refunds, may trigger a suspension of payments of Sale Period  
21 Compensation, but not a suspension of Tax Refund Incentives); and (b) prior to any suspension of  
22 payments or funding, the Plan Agent (i) has provided no less than fifteen (15) days' written notice of  
23 such suspension and the reasons therefor and (ii) has stipulated to a shortening of time to permit a  
24 hearing before the Bankruptcy Court with respect to the Plan Agent's determination on no more than  
25 seven (7) days' notice.

26       7.9. Timing of Payments of Tax Refunds. The Tax Refund Incentives shall be paid to the  
27 Reorganized Debtors or as they may direct, as soon as practicable after receipt of tax refunds by the  
28 Estates and clearance of any potential Internal Revenue Service audit, California Franchise Tax

1 Board audit, and the audit of any other relevant taxing authority; *provided, however,* that, subject to  
2 the last sentence of this Section 7.9, (a) the Reorganized Debtors will not be entitled to a payment of  
3 the Tax Refund Incentives, and (b) no tax refunds shall be distributed by the Plan Agent to any  
4 Claimants or otherwise used by the Plan Agent in any respect, until the applicable statute of  
5 limitations period has expired or the tax liability has been determined by a final non-appealable  
6 decision, in both cases having the legal effect of preventing any taxing authority from seeking a  
7 return of any portion of the received tax refund that forms the basis of such distribution, use or Tax  
8 Refund Incentive. If, notwithstanding the foregoing, any of the Reorganized Debtors are paid a Tax  
9 Refund Incentive with respect to a tax refund that is later returned or utilized to satisfy a tax liability  
10 of the Estates, or there is another event that reduces the amount of the Net Refunds (e.g., a tax  
11 deficiency of the Estates), the Reorganized Debtors who received the Tax Refund Incentive shall  
12 immediately return the appropriate amount of the overpaid incentive payment to the respective  
13 Estate in order to return the Estates to the same economic position as if the appropriate amount of  
14 Tax Refund Incentives had been paid, after taking into account the reduction of the Net Refunds  
15 amount. Interest income at the same rate earned by the Plan Agent on such funds will be earned and  
16 accrue for the benefit of the Reorganized Debtors on the Tax Refund Incentives beginning ten (10)  
17 calendar days after receipt of the Net Refunds by the Plan Agent and ending upon disbursement to  
18 the Reorganized Debtors. Notwithstanding the provisions of the first sentence of this Section 7.9,  
19 the Plan Agent may distribute some or all of funds received as tax refunds, to both holders of  
20 Allowed Claims and the Reorganized Debtors, *provided* that both the Plan Agent and the  
21 Reorganized Debtors may reasonably consent to such distribution, and *provided further* that the  
22 Reorganized Debtors, on the one hand, and unsecured creditors, on the other hand, receive as their  
23 distributions the same percentage of overall entitlement.

24       7.10. Revesting of Excluded Assets. As of the Effective Date, full title and ownership of  
25 each of the Reynen Excluded Assets shall be revested in the Reynen Debtors, and full title and  
26 ownership of each of the Bardis Excluded Assets shall be revested in the Bardis Debtors.

27       7.11. Reorganized Debtors' Assets Not Property of the Estates. Notwithstanding any  
28 other provision of the Plan or order of the Bankruptcy Court, each and every right, title, interest or

1 asset acquired by the Reorganized Debtors on or after the Effective Date, including without  
2 limitation the Excluded Assets and all proceeds, profits, income and revenue arising from personal  
3 services or investments rendered or made on or after the Effective Date, shall be owned and acquired  
4 by the Reorganized Debtors on their own accounts, and shall not be property of either of the Estates  
5 for any purpose. All such rights, title, interests and assets shall be free and clear of any Claims  
6 against either of the Estates, and any claims or obligations of any kind arising prior to the Effective  
7 Date.

8       7.12. Vesting of Estate Property Other Than Excluded Assets. Except as provided in  
9 Section 7.10 of the Plan with respect to the Excluded Assets, as of the Effective Date, pursuant to the  
10 provisions of Section 1123(b) of the Bankruptcy Code and otherwise, all title, ownership, possession  
11 and interests of the Reynen Estate in any assets shall be deemed preserved and fully vested in the  
12 Reynen Estate, and all title, ownership, possession and interests of the Bardis Estate in any assets  
13 shall be deemed preserved and fully vested in the Bardis Estate. All such assets shall be free and  
14 clear of any and all claims, interests, liens, security interests and obligations other than those that are  
15 expressly created or preserved by the provisions of this Plan or the Confirmation Order. Any and all  
16 of such assets may be sold, transferred, compromised or otherwise disposed of by the Plan Agent on  
17 behalf of the respective Estate on or after the Effective Date in accordance with the terms of the  
18 Plan, subject to the effect of any liens or security interests encumbering such assets to the extent  
19 expressly created or preserved under the terms of this Plan.

20       7.13. Creditors' Committee. The Committee shall be dissolved and terminated as of the  
21 Effective Date.

22       7.14. Professional Retention and Compensation. Post-Effective Date retention and  
23 compensation of professionals shall be governed by the following provisions:

24           7.14.1. Reorganized Debtors' Professionals. The Reorganized Debtors shall be  
25 entitled to continue to employ and retain such professionals as approved by the Bankruptcy  
26 Court prior to the Effective Date without further order of the Bankruptcy Court, and shall also  
27 be entitled to employ and retain other or additional professionals with the approval of the  
28 Bankruptcy Court.

1           7.14.2.     Plan Agent's Professionals. The Plan Agent shall be entitled to employ  
2 and retain such professionals as approved by the Bankruptcy Court for retention by the  
3 Committee prior to the Effective Date without further order of the Bankruptcy Court, and  
4 shall also be entitled to employ and retain other or additional professionals with the approval  
5 of the Bankruptcy Court.

6           7.14.3.     Plan Committee's Professionals. The Plan Committee shall be entitled to  
7 employ and retain professionals with the approval of the Bankruptcy Court, but only in the  
8 event of a dispute between the Plan Committee and the Plan Agent and such professionals  
9 shall only be retained for the purpose of representing the Plan Committee in connection with  
10 such dispute.

11           7.14.4.     Compensation. The Plan Agent shall pay compensation and expense  
12 reimbursements requested by all such professionals retained by the Reorganized Debtors, the  
13 Plan Committee and the Plan Agent, as well as his or her own requested compensation and  
14 expense reimbursements, for all services rendered by the Plan Agent or any of such  
15 professionals in the implementation of the Plan, only upon (a) ten (10) Business Days' notice  
16 by such professionals or the Plan Agent to the Reorganized Debtors, the Plan Agent and the  
17 Plan Committee, or (b) if a written objection is received from the Plan Agent, the Reorganized  
18 Debtors or the Plan Committee within such ten (10) Business Days' period, an order of the  
19 Bankruptcy Court following no less than ten (10) days' notice and opportunity for hearing to  
20 such parties.

21           7.14.5.     Allocation. To the extent that post-Effective Date services of the  
22 Reorganized Debtors' professionals, the Plan Agent or the Plan Agent's professionals  
23 conferred a material benefit on both Estates, payment of fees and costs on account of such  
24 services shall be allocated and paid by the two Estates on a fair and equitable basis. Such  
25 allocation shall be determined by the Plan Agent, upon fourteen (14) days' written notice to  
26 the Plan Committee, the United States Trustee and the Reorganized Debtors, or by the  
27 Bankruptcy Court in the event that an objection thereto is filed and served by the Plan  
28 Committee, the United States Trustee or the Reorganized Debtors within such notice period.

1 Notwithstanding any of the foregoing, the Estate for which a professional is retained pursuant  
2 to Section 327 of the Bankruptcy Code shall be liable to such professional for the full amount  
3 of its allowed compensation and expense reimbursements, regardless of allocations between  
4 the Estates, and both Estates shall be liable for the Plan Agent's fees and expenses, to the  
5 extent payable under the terms of this Section 7.14.

6       7.15. Preservation of Causes of Action. Each and every claim, right, cause of action, claim  
7 for relief and other entitlement held by either the Reynen Estate or the Bardis Estate as of the  
8 Effective Date, whether arising under Sections 502, 506, 510, 541, 542, 543, 544, 545, 550, 551, 552  
9 or 553 of the Bankruptcy Code or arising otherwise (including without limitation claims arising prior  
10 to the Petition Date), other than those waived or released by the express terms of the Plan or the  
11 Confirmation Order, shall be deemed fully preserved and vested in the respective Estates, and such  
12 claims and causes of action shall be administered by the Plan Agent.

13       7.16. Reserves. Prior to making a *pro rata* distribution (the "Triggering Distribution")  
14 upon Allowed Claims within a Class, the Plan Agent shall establish a reserve for Claims within that  
15 Class to the extent that such Claims are Disputed Claims or are Claims for which payments are to be  
16 deferred in accordance with the terms of the Plan, as follows:

17           7.16.1. Calculation. The amount reserved for each such Claim shall be on the  
18 same *pro rata* basis as the Triggering Distribution, based upon the lesser of (a) the amount  
19 asserted by the holder of the Claim to be owing and (b) such amount as the Bankruptcy Court  
20 may estimate for all distribution purposes upon motion of the Plan Agent or the Reorganized  
21 Debtors, which motion may be made initially or from time to time.

22           7.16.2. Reserve Maintenance And Interest. Such reserves may be established and  
23 maintained by the Plan Agent as accounting entries, without the necessity of transfers of  
24 funds out of the Estates' general accounts, *provided* that sufficient funds are maintained in  
25 such general accounts to support the accounting entries. Any interest earned upon such  
26 reserved funds shall be earned for the account of, and retained by, the Estates for their  
27 general purposes, and not for the benefit of the holder of the Disputed or unmatured Claim.

28           7.16.3. Release of Reserved Funds. Reserved funds shall be released as Disputed

1           Claims are resolved by a Final Order or as unmatured Claims mature, as the case may be, as  
2           follows: (a) a payment to the holder of such Claim, calculated on the same *pro rata* basis as  
3           the Triggering Distribution, based upon the portion, if any, of the Claim that has become a  
4           matured Allowed Claim, by virtue of a Final Order; and (b) retention by the respective  
5           Estate, for its general purposes, of all other funds reserved for such Claim.

6           7.17. Unclaimed Distributions. If any holder of a Claim cannot be located after reasonable  
7           efforts by the Plan Agent, or fails to deposit or accept a distribution tendered by the Plan Agent to  
8           such holder with respect to such Claim within ninety (90) days following the date of such  
9           distribution, then the distribution with respect to such holder shall be cancelled, such Claim shall be  
10           deemed fully released, waived and discharged, and there shall be no further distributions required  
11           with respect to such Claim.

12           7.18. De Minimus Distributions. The Plan Agent shall not be required to make any  
13           payment of less than \$100.00 on account of an Allowed Claim within Class D1 or D2, unless it is the  
14           final payment to be made on account of such Allowed Claim under the terms of the Plan. In the  
15           event that a *pro rata* distribution with respect to such an Allowed Claim would otherwise require  
16           such a payment of less than \$100.00, the Plan Agent may withhold such payment and aggregate it  
17           with a subsequent payment upon such Allowed Claim.

18           7.19. Compliance With Tax Requirements. In connection with the Plan, to the extent  
19           applicable, the Plan Agent shall comply with all tax withholding and reporting requirements imposed  
20           on it by any governmental unit, and all distributions made pursuant to the Plan shall be subject to,  
21           and reduced by, such withholding and reporting requirements. The Plan Agent shall be deemed to  
22           be authorized to take any actions that may be necessary or appropriate in order to comply with such  
23           withholding and reporting requirements, including but not limited to requiring recipients to fund the  
24           payment of such withholding as a condition to delivery. Notwithstanding any other provision of the  
25           Plan, each person or entity receiving a distribution of Cash pursuant to the Plan will have sole and  
26           exclusive responsibility for the satisfaction and payment of any tax obligations imposed on it by any  
27           governmental unit on account of such distribution, including income withholding and other tax  
28           obligations.

1           7.20. Quarterly Fees. At all times on and after the Effective Date, the Plan Agent shall pay  
2 from funds of the Estates, for deposit into the United States Treasury, the quarterly fees owing to the  
3 United States Trustee pursuant to the provisions of Section 1930(a)(6) of Title 28 of the United  
4 States Code, for each calendar quarter (including any fraction thereof) in each such case that has not  
5 yet been closed by the entry of a final decree, converted or dismissed.

6           7.21. Objections to Claims. On and after the Effective Date, only the Plan Agent and the  
7 Reorganized Debtors may file, serve, prosecute or compromise objections to any Claim, or request  
8 estimations of Claims, *provided* that the Reorganized Debtors may not file an objection to a Claim,  
9 or request the estimation of a Claim, after the Effective Date unless (a) such objection is approved in  
10 advance by the Plan Agent, or (b) the Reorganized Debtors bear all costs, including attorneys' fees,  
11 incurred in filing and prosecuting such objection or request for estimation. In the event that the  
12 Reorganized Debtors proceed under the provisions of subpart (b) herein, they shall be entitled to  
13 recover such costs and attorneys' fees from the Estates to the extent of any measurable benefit  
14 conferred upon the Estates (by reducing the amount distributable upon such Claim, as Allowed) by  
15 the prosecution and resolution of such objection or request for estimation.

16           7.22. Other Actions. On and after the Effective Date, the Plan Agent, the Reorganized  
17 Debtors, the Plan Committee, and other parties, as appropriate, shall execute and deliver such  
18 documents, and take such actions, as reasonably necessary to complete and evidence the transactions  
19 contemplated and described in this Plan, *provided* that if any such party fails to so act, the Plan  
20 Agent and the Reorganized Debtors shall be authorized to so act on such party's behalf, pursuant to  
21 an order of the Court issued on no less than ten (10) days' notice under the provisions of Section  
22 1142(b) of the Bankruptcy Code.

23           7.23. Term of Injunctions and Stays. Unless otherwise provided herein or by an order of  
24 the Court, any injunctions or stays issued or effective as of the Confirmation Date in either the  
25 Reynen Case or the Bardis Case, whether under the provisions of Sections 105 or 362 of the  
26 Bankruptcy Code or otherwise, shall remain in full force and effect until the Effective Date.

27           7.24. Discharge of Reorganized Debtors. Notwithstanding any other provision of the Plan  
28 or of the Bankruptcy Code, each of the Reorganized Debtors shall be discharged of all Claims, liens

1 obligations and charges of any kind existing or arising prior to the Effective Date, as of  
2 December 31, 2009. The Reorganized Debtors waive any right to seek an earlier discharge, and  
3 there shall be no right of any party in interest to seek to delay such discharge. Without limiting the  
4 generality of the foregoing, none of the Reorganized Debtors shall be liable for any claims or  
5 obligations of either of the Estates arising after the Effective Date in any event. The contents of this  
6 Section 7.24 shall also be contained in the Confirmation Order, and the confirmation process and  
7 notice of the Confirmation Hearing shall serve as adequate notice and hearing in order to satisfy the  
8 requirements of Section 1141(d)(5)(A) of the Bankruptcy Code, to the extent applicable, for the  
9 inclusion of such contents in the Confirmation Order.

10       7.25. Permanent Satisfaction And Injunction. The rights afforded herein, and the treatment  
11 of all Claims and Interests set forth herein, shall be in full exchange for, and in complete satisfaction,  
12 discharge and release of, all Claims and Interests of any kind or nature whatsoever, whether known  
13 or unknown, matured or contingent, liquidated or unliquidated, existing, arising or accruing, whether  
14 or not yet due, prior to the Effective Date, including without limitation any Claims, or interest on  
15 Claims, accruing on or after the Debtor Groups' respective Petition Dates, against any of the  
16 Debtors, the Estates, or any assets or property of either of the foregoing persons. Except as, and to  
17 the extent, expressly provided in the Plan, (a) all such Claims against the Debtors, the Estates or any  
18 assets or property of either of the foregoing persons, shall be deemed fully and finally satisfied,  
19 discharged and released; and (b) all persons shall be fully and finally barred, enjoined and precluded  
20 from asserting against any of the Reorganized Debtors, the Plan Agent or any of their respective  
21 assets, any such Claims or Interests, or any other claims or interests based upon any act or omission,  
22 transaction, agreement, right, privilege, duty, entitlement, obligation or other event or activity of any  
23 kind or nature whatsoever that occurred prior to the Effective Date.

24       7.26. Indemnification and Insurance. The Plan Agent and the Plan Committee and its  
25 members shall be indemnified by the Estates with respect to their implementation of the Plan and  
26 their post-Effective Date activities in connection with the administration and implementation of the  
27 Plan, but not as to their own gross negligence or intentional misconduct. To the extent reasonably  
28 available, the Plan Agent shall purchase errors and omissions insurance coverage for the Plan Agent,

1 the Plan Committee and its members and the Reorganized Debtors, and their respective  
2 professionals, *provided* that the Plan Agent shall not be required to include the Reorganized Debtors  
3 within such coverage if the incremental cost of such coverage exceeds, in the aggregate for all  
4 Reorganized Debtors, \$25,000 per year.

5       7.27. Inter-Estate Release. As of the Effective Date, all Claims held by the Reynen Debtors  
6 or the Reynen Estate as against the Bardis Debtors or the Bardis Estate, and all Claims held by the  
7 Bardis Debtors or the Bardis Estate as against the Reynen Debtors or the Reynen Estate, shall be  
8 deemed fully released, waived and discharged, except as expressly set forth in the Plan.

9       7.28. Estimation of Claims. At any time after the Effective Date, the Plan Agent or the  
10 Reorganized Debtors may request estimation of a Disputed Claim, including without limitation any  
11 Claim that is contingent or unliquidated in amount, pursuant to the provisions of Section 502(c) of  
12 the Bankruptcy Code. Such request may be made by motion or complaint, and may seek such  
13 estimation for all purposes, including final allowance of the Claim for purposes of distributions  
14 within Classes D1 and D2.

15       7.29. Postconfirmation Reports. Within twenty (20) days following the end of each  
16 calendar quarter occurring after the Effective Date and until, as to each case separately, the case has  
17 been closed by the entry of a final decree, converted or dismissed, the Plan Agent shall file with the  
18 Bankruptcy Court, and serve upon the Postconfirmation Recipients, a postconfirmation report, the  
19 purpose of which is to explain the progress made toward full administration of the Plan. The first  
20 such report shall be filed for the portion of the calendar quarter from the Effective Date until the end  
21 of the calendar quarter in which it occurs. Said reports shall include a statement of receipts and  
22 disbursements, with the ending cash balance, for the entire calendar quarter, and the reports shall  
23 contain sufficient information to enable the Bankruptcy Court to determine: (a) whether the  
24 Confirmation Order has become a Final Order; (b) whether deposits, if any, required by the Plan  
25 have been distributed; (c) whether any property proposed by the Plan to be transferred has been  
26 transferred; (d) whether the Plan Agent has assumed the duties and responsibilities contemplated  
27 under the Plan; (e) whether payments under the Plan have commenced; (f) whether accrued fees  
28 owing under 28 U.S.C. § 1930(a)(6) have been paid; and (g) whether all motions, contested matters

and adversary proceedings have been finally resolved. Said reports shall also contain a brief summary of the status of any pending litigation regarding the disputed lien asserted by Travelers against the Bardis Tax Refund, *provided* that the Plan Agent shall not be required to provide in such summary any confidential, proprietary or litigation strategy information.

7.30. Estate Compromises. Subject to the provisions of Section 7.5.6 of the Plan, the Plan Agent may enter into a compromise of any dispute or controversy on behalf of the Reynen Estate or the Bardis Estate without the necessity of Bankruptcy Court approval, *provided* that any settlement of the disputed lien asserted by Travelers against the Bardis Tax Refund may be reached only after ten (10) days' written notice and opportunity for hearing provided to holders of Allowed Claims within Class D2 and, in the event that a written objection is filed and served by such a holder within such ten-day notice period, entry of an order of the Bankruptcy Court approving such settlement.

## ARTICLE VIII

## **RETENTION OF JURISDICTION**

8.1. Generally. With respect to each of the Reynen Case and the Bardis Case, until such case has been closed, and thereafter upon a motion to reopen the case, the Bankruptcy Court shall have exclusive jurisdiction of all matters concerning the allowance of Claims and Interests, and the interpretation and implementation of the Plan, pursuant to, and for all purposes of, Sections 105(a) and 1142 of the Bankruptcy Code, including without limitation the following purposes:

8.1.1. to hear and determine applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending on the Effective Date, and the allowance of Claims resulting therefrom;

8.1.2. to determine any and all claims, causes of action, adversary proceedings, applications and contested matters which are pending on the Effective Date or which are thereafter commenced by or related to the Reorganized Debtors, the Plan Agent or the Estates;

8.1.3. to hear and determine any objection to, or requests for estimation of, Claims;

1           8.1.4. to enter and implement such orders as may be appropriate in the event that  
2 the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

3           8.1.5. to issue such orders in aid of execution of the Plan, to the extent authorized  
4 by the provisions of Section 1142 of the Bankruptcy Code;

5           8.1.6. to consider any modifications of the Plan, to cure any defect or omission, or  
6 reconcile any inconsistency in any order of the Court, including, without limitation, the  
7 Confirmation Order;

8           8.1.7. to hear and determine all applications for Professional Fees accrued through  
9 the Effective Date, and for professional fees incurred thereafter in the event of a timely  
10 objection;

11           8.1.8. to hear and determine disputes arising in connection with the interpretation,  
12 implementation or enforcement of the Plan;

13           8.1.9. to hear and determine matters concerning state, local and federal taxes in  
14 accordance with Sections 346, 505, and 1146 of the Bankruptcy Code; and

15           8.1.10. to enter a final decrees closing said cases, and orders reopening said cases as  
16 appropriate.

## 17           ARTICLE IX

### 18           MISCELLANEOUS PROVISIONS

19           9.1. Exemption from Transfer Taxes. Pursuant to the provisions of Section 1146(a) of the  
20 Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities under the Plan, the  
21 creation of any mortgage, deed of trust or other security interest, the making or assignment of any  
22 lease or sublease, the sale or other transfer of any assets by the Debtor to a third party, or the making  
23 or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with  
24 the Plan, including any deeds, bills of sale or assignments executed in connection with any of the  
25 transactions contemplated under the Plan (including without limitation any and all transfers to the  
26 Reorganized Debtors or Buildco as contemplated by the Plan), shall not be subject to any stamp,  
27 sales, transfer, real estate transfer, mortgage recording or other similar tax.

1           9.2. Binding Effect. The Plan shall be binding upon and inure to the benefit of each of the  
2 Reorganized Debtors and all holders of Claims and Interests and their respective successors and  
3 assigns, whether or not they have accepted the Plan.

4           9.3. Ratification. Subject to all of the terms of this Plan, the Confirmation Order shall be  
5 deemed to ratify all transactions effectuated by the Debtor Groups during the pendency of the  
6 Reynen Case and the Bardis Case to the extent either in the ordinary course of business or pursuant  
7 to an order of the Court.

8           9.4. Notices. Any notice required or permitted to be provided under the terms of the Plan  
9 shall be in writing and shall be served by the quickest practical available method of delivery (which  
10 shall be conclusively presumed to be (a) by hand delivery or (b) by facsimile or electronic mail with  
11 hard copy to follow by overnight courier, as to the Reorganized Debtors, the Plan Agent and the Plan  
12 Committee). All notices to the Reorganized Debtors, the Plan Committee or the Plan Agent shall be  
13 delivered as follows (or as otherwise directed by such party by notice given pursuant hereto):  
14 To the Reynens:

15           c/o Reynen and Bardis  
16           10630 Mather Blvd.  
17           Mather, CA 95655  
18           Telephone: (916) 366-3665  
19           Facsimile: 916/364-3570  
20           Email: [john.reynen@rbhome.us](mailto:john.reynen@rbhome.us)

21           With a copy to:

22           Merle C. Meyers, Esq.  
23           Edie Walters, Esq.  
24           MEYERS LAW GROUP, P.C.  
25           44 Montgomery Street, Suite 1010  
26           San Francisco, CA 94104  
27           Telephone: (415) 362-7500  
28           Facsimile: (415) 362-7515  
29           Email: [mmeyers@mlg-pc.com](mailto:mmeyers@mlg-pc.com)  
30           [ewalters@mlg-pc.com](mailto:ewalters@mlg-pc.com)

31           To the Bardises:

32           c/o Reynen and Bardis  
33           10630 Mather Blvd.  
34           Mather, CA 95655  
35           Telephone: (916) 366-3665

1 Facsimile: 916/364-3570  
Email: [christo.bardis@rbhome.us](mailto:christo.bardis@rbhome.us)

2 *With a copy to:*

3 David M. Meegan, Esq.  
4 MEEGAN, HANSCHU & KASSENBROCK  
5 11341 Gold Express Drive, Suite 110  
Gold River, CA 95670  
Telephone: (916) 925-1800  
Facsimile: (916) 889-8359  
Email: [DMeegan@mhksacto.com](mailto:DMeegan@mhksacto.com)

7 To the Plan Committee: [To be determined]

8 *With a copy to:*

9 Marc A. Levinson, Esq.  
10 ORRICK, HERRINGTON & SUTCLIFFE LLP  
400 Capitol Mall  
11 Sacramento, CA 95814-4497  
Telephone: (916) 447-9200  
Facsimile: (916) 329-4900  
Email: [malevinson@orrick.com](mailto:malevinson@orrick.com)

13 To the Plan Agent:

14 Hank M. Spacone  
15 P.O. Box 255264  
16 Sacramento, CA 95865  
17 Telephone: (916) 489-6250  
Facsimile: (916) 482-2860  
Email: [hspacone@thg-sac.com](mailto:hspacone@thg-sac.com)

19 9.5. Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules  
20 are applicable, the rights and obligations arising under the Plan shall be governed by, and construed  
21 and enforced in accordance with, the laws of the State of California, without giving effect to the  
22 conflict of laws provisions thereof.

23 9.6. Headings. Headings are used in the Plan for convenience and reference only, and  
24 shall not constitute a part of the Plan for any other purpose.

25 9.7. Exhibits. Any and all exhibits to the Plan are incorporated into and are a part of the  
26 Plan as if set forth in full herein.

27 9.8. Closing Case. At such point as the Bankruptcy Court determines, upon a motion of  
28 the Plan Agent, and following twenty (20) days' notice and an opportunity for hearing to all

1 Postconfirmation Recipients, that all pending claims objections, contested matters and adversary  
2 proceedings have been resolved, or that one or both of the Chapter 11 Cases need remain open no  
3 longer despite the pendency of such objections, matters or proceedings, one or both of the Chapter  
4 11 Cases, as appropriate, may be closed by the terms of a final decree of the Bankruptcy Court,  
5 *provided* that such case will be reopened thereafter if necessary in order to facilitate any of the  
6 actions contemplated by the terms of this Plan.

7       9.9. Expenses. In the event that any action, motion, contested matter, complaint, answer,  
8 counterclaim, cross-claim or other action is filed or taken by the Plan Agent, the Plan Committee or  
9 the Reorganized Debtors after the Effective Date either in the Bankruptcy Court or otherwise, in  
10 order to enforce or interpret any terms of the Plan or the Confirmation Order, or any order or  
11 agreement made in implementation of the Plan, the prevailing party in such matter (as determined by  
12 a court of competent jurisdiction) shall be entitled to recover from any opposing party its expenses,  
13 including reasonable attorneys' fees and costs, incurred in such matter, provided however, that any  
14 such award against the Plan Committee shall be paid by the Reynen Estate or the Bardis Estate as  
15 appropriate and under no circumstances shall any individual member of the Plan Committee have  
16 any liability for such award.

17 DATED: July 30, 2009  
18

19       /s/ John D. Reynen

20       JOHN D. REYNEN, Debtor

19       /s/ Christo Bardis

20       CHRISTO BARDIS, Debtor

21       /s/ Judith M. Reynen

22       JUDITH M. REYNEN, Debtor

21       /s/ Sara Bardis

22       SARA BARDIS, Debtor

23       Approved and submitted by:

24       MEYERS LAW GROUP, P.C.  
25       Merle C. Meyers, Esq., CA Bar #66849  
26       Edie Walters, Esq. CA Bar #262730  
27       Michele Thompson, CA Bar #241676

24       MEEGAN, HANSCHU & KASSENROCK  
25       David M. Meegan, Esq., CA Bar #114549

26       By: /s/ Merle C. Meyers

27       Merle C. Meyers, Esq.  
28       Attorneys for Reynens

26       By: /s/ David M. Meegan

27       David M. Meegan, Esq.  
28       Attorneys for Bardises

1

**EXHIBIT "A"**

2

**SCHEDULE OF DEFINITIONS**

3

As used herein or in the Plan, the following terms have the meanings specified below, unless the context otherwise requires:

4

1. Administrative Bar Date shall have the meaning ascribed to it in Section 3.2 of the Plan.

6

2. Administrative Expense Claim means any Claim arising before the Effective Date under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Estates, any actual and necessary expenses of operating the business of the Estates, all compensation or reimbursement of expenses allowed by the Court under the provisions of Sections 330, 331 or 503 of the Bankruptcy Code, any fees or charges assessed against the Estates under the provisions of Section 1930 of chapter 123 of title 28 of the United States Code, except for Claims that are also Secured Claims.

10

11

3. AKT means AKT Development, Inc.

12

4. AKT Secured Claim means the Reynen Secured Claim held by AKT in the approximate amount of \$560,000 and secured by a second lien encumbering the El Dorado Property.

13

5. Allowed means, with respect to a Claim, any Claim that is neither a Disputed Claim nor a Disallowed Claim, and proof of which was timely and properly filed or, if no proof of claim was filed, which has been or hereafter is listed by the Debtor on the Schedules as liquidated in amount and not disputed or contingent. “Allowed Administrative Expense Claim” or “Allowed Claim” shall not include interest on such Administrative Expense Claim or Claim from and after the applicable Petition Date except as expressly specified in the Plan.

17

18

6. Anniversary Date shall have the meaning ascribed to it in Section 5.1 of the Plan.

19

7. Assistance Efforts shall have the meaning ascribed to it in Section 7.6 of the Plan.

20

8. ATAP means Angelo Tsakopoulos-Asset Preservation.

21

9. ATAP Secured Claim means the Bardis Secured Claim held by ATAP in the approximate amount of \$6,954,000 and secured by a lien encumbering the Chew Ranch Interest.

22

10. Ballot means each of the voting forms to be distributed with the Plan and the Disclosure Statement to holders of Claims or Interests in Classes that are impaired under the terms of the Plan and are entitled to vote in connection with the solicitation of acceptances of the Plan.

24

25

11. Bank of Amador means the Bank of Amador, N.A.

26

12. Bank of Amador-El Dorado Secured Claim means the Reynen Secured Claim held by Bank of Amador in the approximate amount of \$862,507 and secured by a first lien encumbering the El Dorado Property.

27

28

13. Bank of Amador-Folsom Secured Claim means the Reynen Secured Claim held by

1 Bank of Amador in the approximate amount of \$508,257 and secured by the Folsom Property.

2 14. Bank of America means Bank of America, N.A.

3 15. Bank of America-Incline Village Secured Claim means the Reynen Secured Claim  
held by Bank of America in the approximate amount of \$4,761,033 and secured by the Incline  
4 Village Property.

5 16. Bank of America-Sacramento Secured Claim means the Reynen Secured Claim held  
by Bank of America in the approximate amount of \$1,499,898 and secured by a second lien  
6 encumbering the Sacramento Property.

7 17. Bank of West means Bank of the West.

8 18. Bank of West-Gold River Secured Claim means the Bardis Secured Claim held by  
9 Bank of West by virtue of a perfected writ of attachment to the extent secured by an unavoidable lien  
10 encumbering the Gold River Property.

11 19. BankFirst means BankFirst, a South Dakota state bank.

12 20. BankFirst-Gold River Secured Claim means the Bardis Secured Claim held by  
BankFirst by virtue of a perfected writ of attachment to the extent secured by an unavoidable lien  
13 encumbering the Gold River Property.

14 21. BankFirst-Pebble Proceeds Secured Claim means the Bardis Secured Claim held by  
BankFirst by virtue of a perfected writ of attachment to the extent secured by an unavoidable lien  
15 encumbering the Pebble Proceeds.

16 22. Bankruptcy Code means title 11 of the United States Code, as amended from time to  
time, as applicable to the Chapter 11 Cases.

18 23. Bankruptcy Court means the United States Bankruptcy Court for the Eastern District  
of California, Sacramento Division, or such other court having competent jurisdiction over the  
19 Chapter 11 Cases.

20 24. Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure, as amended  
from time to time, as applicable to the Chapter 11 Cases, including the Local Rules of the  
21 Bankruptcy Court.

22 25. Bardis Case means the chapter 11 case of Christo and Sara Bardis, case no. 08-34878,  
commenced on October 15, 2008, and pending before the Bankruptcy Court.

24 26. Bardis Convenience Claim means a Convenience Claim against the Bardis Estate.

25 27. Bardis Debtors means, collectively, Christo and Sara Bardis, the debtors-in-  
possession in the Bardis Case.

27 28. Bardis Equity Interest means an Equity Interest in the Bardis Estate.

28 29. Bardis Estate means the estate of the Bardis Debtors and all property thereof, as

1 provided by Section 541 of the Bankruptcy Code.

2       30. Bardis Excluded Assets means, collectively, the following assets of the Bardis Estate:  
3       (a) all interests of the Bardis Estate in real property, improvements and personal property furnishings  
4       located in Kastanitsas, Greece; (b) all partnership interests of the Bardis Estate in C&S Partnership,  
5       LLC, a California limited liability company; (c) all interests of the Bardis Estate in household goods,  
6       vehicles, jewelry, artwork, clothing and other necessary and reasonable (as agreed upon between the  
7       Plan Agent and the Bardis Debtors or, in the absence of such agreement, by the Bankruptcy Court)  
8       personal items of the Bardis Estate, including without limitation all property determined by the  
9       Bankruptcy Court to be exempt property; (d) any private club memberships owned by the Bardis  
10      Estate as of the Bardis Petition Date; and (e) the Gold River Property.

11       31. Bardis Nonclassified Priority Claim means a Nonclassified Priority Claim against the  
12      Bardis Estate.

13       32. Bardis Petition means the voluntary petition filed by the Bardis Debtors with the  
14      Bankruptcy Court in order to commence the Bardis Case on October 15, 2008.

15       33. Bardis Priority Claim means a Priority Claim against the Bardis Estate.

16       34. Bardis Sale Period means the time period during which the Bardis Debtors shall assist  
17      the Plan Agent in the marketing and sale of property of the Bardis Estate, other than the Bardis  
18      Excluded Assets, as part of the Bardis Debtors' Assistance Efforts, which time period shall  
19      commence on the Effective Date and shall terminate on March 31, 2010, *provided* that such time  
20      period may be extended beyond March 31, 2010 with the agreement of both the Plan Agent and the  
21      Bardis Debtors. Absent such agreement, the Bardis Debtors' obligation to assist in such marketing  
22      and sale efforts shall cease as of March 31, 2010.

23       35. Bardis Secured Claim means a Secured Claim against property of the Bardis Estate.

24       36. Bardis Tax Incentives means the Tax Refund Incentives described in Section 7.7.3.2  
25      of the Plan.

26       37. Bardis Tax Refund means any tax refunds received by the Bardis Estate and arising  
27      from the Bardis Tax Returns.

28       38. Bardis Tax Returns means all tax returns, amended tax returns and claims for refund  
29      that can be reasonably asserted on behalf of the Bardis Estate for any period.

30       39. Bardis Unsecured Claim means an Unsecured Claim against the Bardis Estate.

31       40. Broomieside Property means real property known as Broomieside Farms, consisting  
32      of certain parcels of land in Sutter County, California and designated by said county as Assessor  
33      Parcel Nos. 24-060-003; 24-060-004; 24-060-005; 24-060-009; 24-040-005, 24-040-006 ptn; 24-  
34      040-011; 24-050-001; 24-050-001; 24-050-003; 24-050-004; 24-060-001; 24-060-011; 24-040-013;  
35      24-040-008; 24-040-007; and 24-040-006 ptn.

36       41. Buildco means, collectively, R&B and Newco.

37       42. Buildco Budget means that certain budget for the projected operations of Buildco,

1 together with attachments thereto, that is enclosed as Exhibit "A" in a letter dated April 9, 2009 from  
2 the Reynen Debtors' counsel to the Committee's counsel, which budget and attachments shall not be  
3 disclosed to any person other than the Debtor Group, the Reorganized Debtors, the Committee, the  
4 Plan Committee and Buildco, and their respective professionals.

5  
6 43. Business Day means any day on which commercial banks are generally open for  
7 business in Sacramento, California, other than a Saturday, Sunday or legal holiday in the State of  
8 California.

9  
10 44. Cash means the legal tender of the United States of America.

11  
12 45. CBT means California Bank & Trust, N.A.

13  
14 46. CBT Secured Claim means the Reynen Secured Claim held by CBT in the  
15 approximate amount of \$106,894 and secured by the Oak Court Property.

16  
17 47. Chapter 11 Cases means, collectively, the Reynen Case and the Bardis Case.

18  
19 48. Chase means Chase Financial Bank, N.A.

20  
21 49. Chase Secured Claim means the Reynen Secured Claim held by Chase in the  
22 approximate amount of \$63,000 and secured by the Mercedes Vehicle.

23  
24 50. Chew Ranch Interest means any all interests of the Bardis Estate in Chew Ranch,  
25 LLC, a limited liability company.

26  
27 51. Claim means (a) any right to payment from one of the Estates, whether or not such  
28 right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,  
right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,  
disputed, undisputed, legal, equitable, secured, or unsecured, (b) any right to an equitable remedy for  
breach of performance if such breach gives rise to a right to payment from one of the Estates,  
whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured,  
unmatured, disputed, undisputed, secured or unsecured, or (c) any claim as defined by the provisions  
of Section 101(5) of the Bankruptcy Code.

52. Claim Reduction Table means the following table:

Deficiency Reduction Amt	Cumulative Deficiency Reduction	% Paid	Dollars in Thousands		
			Dollar Amount Range	Step Incentive	Cumulative Incentive
First \$10,000	\$10,000	0.00%	\$0	\$ -	\$ -
Next 15,000	25,000	1.00%	0 to 150	150	150
Next 25,000	50,000	1.50%	0 to 375	375	525
Next 25,000	75,000	2.25%	0 to 563	563	1,088
Next 25,000	100,000	3.00%	0 to 750	750	1,838
Next 25,000	125,000	4.50%	0 to 1,125	1,125	2,963
Next 25,000	150,000	6.00%	0 to 1,500	1,500	4,463

1        53.    Claim Reduction Incentives shall have the meaning ascribed to it in Section 7.7.2 of  
the Plan.

2        54.    Claimant means a person asserting a Claim against any of the Debtors or either of the  
Estates.

4        55.    Class means a category of holders of Claims or Interests as established by the terms  
of Article II of the Plan.

6        56.    Committee means the Official Committee of Unsecured Creditors appointed in the  
Reylen Case pursuant to the provisions of Section 1102 of the Bankruptcy Code.

7        57.    Confirmation Date means the date on which the Bankruptcy Court enters the  
Confirmation Order.

9        58.    Confirmation Hearing means the hearing before the Bankruptcy Court held for the  
purpose of determining whether the Plan will be confirmed by the Bankruptcy Court pursuant to the  
provisions of Section 1129 of the Bankruptcy Code.

11       59.    Confirmation Order means the order of the Bankruptcy Court confirming the Plan  
pursuant to the provisions of Section 1129 of the Bankruptcy Code.

13       60.    Convenience Claims means any Allowed Unsecured Claim of \$2,500.00 or less, and  
all Allowed Unsecured Claims in excess of such amount whose holders exercise the “opt-in”  
election set forth in Sections 5.12.2 or 5.13.2 of the Plan, but excluding Claims whose holders  
exercise the “opt-out” election set forth in Sections 5.12.1 or 5.13.1 of the Plan.

16       61.    Court means the Bankruptcy Court.

17       62.    Creditor means a Claimant.

18       63.    Cure means the distribution of Cash as and to the extent required for the cure and  
assumption of an unexpired executory contract pursuant to the provisions of Section 365(b) of the  
Bankruptcy Code, or for the cure and reinstatement of a secured obligation pursuant to the  
provisions of Section 1124(2) of the Bankruptcy Code.

21       64.    Debtor Group means, collectively, the Reylen Debtors and the Bardis Debtors.

22       65.    Debtor means any of the Reylen Debtors or the Bardis Debtors.

23       66.    Default Event shall have the meaning ascribed to it in Section 7.8 of the Plan.

24       67.    Deficiency Claim Deadline means the thirtieth (30<sup>th</sup>) calendar day following the  
Effective Date.

26       68.    Deficiency Reduction Amount means the aggregate amount of reductions of Claims  
against both Estates, on an aggregate basis, from the Estimated Liquidation Amount of each  
identified Claim to the actual Allowed amount of that Claim. Claims that are allowed in amounts  
greater than their Estimated Liquidation Amounts shall not be included in such calculation, and  
reductions due to computational errors shall not be included in such calculations. Reductions of

1 unsecured claim amounts achieved since the Reynen Petition Date, through forbearance agreements  
2 or otherwise, shall be included in the determining the difference between the Estimated Liquidation  
3 Amounts and the Allowed Claim amounts (i.e., the Estimated Liquidation Case Amounts will not be  
4 reduced by the impact of events that have occurred since the Reynen Petition Date, such as the  
5 imposition of monetary caps on claims). The measuring date for establishing the Estimated  
6 Liquidation Amounts for all claims shall be the Reynen Petition Date. In addition, any increases in  
7 claim amounts resulting from avoidance actions prosecuted or settled by the Plan Agent, e.g.,  
8 pursuant to Section 502(h) of the Bankruptcy Code, shall not be included in determining the allowed  
9 amount of a claim, nor shall any reductions in unsecured claims accomplished in connection with  
10 settlement of such litigation be included in determining the Deficiency Reduction Amounts. The  
11 Reorganized Debtors shall not earn duplicative Claim Reduction Incentives by virtue of the fact that  
12 a particular claim is reduced in both the Reynen Case and the Bardis Case. The reduction of claims  
13 of affiliates of the Debtor Group shall not be considered in the deficiency reduction calculations.  
14

15 69. Disallowed Claim means:

16 i. Any Claim, proof of which was not timely and properly filed and, in the case  
17 of a Claim other than an Administrative Expense Claim, which is listed in the Schedules as  
18 unliquidated, disputed or contingent, or is not listed in the Schedules; and

19 ii. Any Claim that has not been allowed by an earlier order of the Court or by the  
20 terms of the Plan and as to which the Plan Agent, the Reorganized Debtors or any other party  
21 with authority to file objections to Claims, has filed an objection or request for estimation, to  
22 the extent that such Claim is disallowed by a Final Order.

23 70. Disclosure Statement means the disclosure statement relating to the Plan, as approved  
24 by the Bankruptcy Court pursuant to the provisions of Section 1125 of the Bankruptcy Code,  
25 together with any supplements or amendments thereto approved by the Court.

26 71. Disputed Claim means any Claim that is not a Disallowed Claim and that has not  
27 been allowed by an earlier order of the Court or by the terms of the Plan and as to which the Plan  
28 Agent, the Reorganized Debtors or any other party with authority to file objections to Claims, has  
29 filed an objection or request for estimation, except to the extent that such objection or request for  
30 estimation has been withdrawn or determined by a Final Order.

31 72. Effective Date means the effective date of the Plan, which shall be a date designated  
32 by the Debtor Group, but which date shall be no less than 11 days, and no more than 30 days,  
33 following the Confirmation Date or, in the event that effectuation of the Plan is enjoined or stayed by  
34 a court of competent jurisdiction for any period of time, no later than 30 days following expiration of  
35 such stay or injunction.

36 73. El Dorado Property means that certain real property and improvements located at  
37 7007 Karavi Drive, El Dorado Hills, CA 95762.

38 74. Equity Interests means the rights and interests of the Reynen Debtors or the Bardis  
39 Debtors, as the case may be, in and to property of their respective Estates immediately before the  
40 Effective Date.

41 75. Estates means, collectively, the Reynen Estate and the Bardis Estate, or, when used in  
42

1 the singular form, one of such estates as the context requires.

2 76. Estimated Liquidation Case Amounts means the amount set forth in the Liquidation  
3 Case Schedule as the collective estimate of the Committee and the Debtor Group as to the allowable  
4 amount of a particular claim against one or both of the Estates in the event of a chapter 7 liquidation  
and foreclosure, as applicable.

5 77. Excluded Assets means, collectively, the Reynen Excluded Assets and the Bardis  
Excluded Assets.

6 78. Existing Affiliate means an affiliate, as defined in Section 101(2) of the Bankruptcy  
7 Code, of the Debtor Group, but only as to persons or entities existing as of the Effective Date and  
8 owned, directly or indirectly, by one or both of the Estates as of that date. The term shall not include  
9 any entities in which any of the Debtor Group acquires a direct or indirect ownership or voting  
interest on or after the Effective Date.

10 79. Final Order means an order or judgment of a court of competent jurisdiction as to  
11 which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and  
12 as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall  
13 then be pending or as to which any right to appeal, petition for certiorari, reargument or rehearing  
14 shall have been waived, or, in the event that an appeal, writ of certiorari, reargument or rehearing  
thereof has been sought, such order shall have been determined by the highest court to which such  
order was appealed, or certiorari, reargument or rehearing shall have been denied and the time to  
take any further appeal, petition for certiorari or move for reargument or rehearing shall have  
expired.

15 80. First Tennessee means First Tennessee Bank, a national association.

16 81. First Tennessee Secured Claim means the Bardis Secured Claim held by First  
17 Tennessee by virtue of a perfected writ of attachment to the extent secured by an unavoidable lien  
18 encumbering the Gold River Property.

19 82. Folsom Property means that certain real property and improvements located at 732  
Misty Ridge, Folsom, CA 95630.

20 83. Gold River Property means that certain real property and improvements located at  
11375 Huntington Village Lane, Gold River, CA 95670.

22 84. Incline Village Property means that certain real property and improvements located at  
517 Fairview, Incline Village, NV 89451.

24 85. Interest means Equity Interest.

25 86. Internal Revenue Code shall have the meaning ascribed to it in Section 7.6.3 of the  
Plan.

26 87. Initial Interest Payment Date shall have the meaning ascribed to it in Section 5.1 of  
the Plan.

28 88. L.A. Property means that certain real property and improvements located at 7551

1 Coastal View Drive, Los Angeles, CA 90045.

2        89. Liquidation Case Schedule means that certain schedule of estimated values and  
3 liquidation case amounts of the Estates' assets and liabilities that is enclosed as Exhibit "B" in a  
4 letter dated April 9, 2009 from the Reynen Debtors' counsel to the Committee's counsel, which  
schedule shall not be disclosed to any person other than the Debtor Group, the Reorganized Debtors,  
the Committee, the Plan Committee and Buildco, and their respective professionals.

5        90. Mather Bardis Property means the Bardis Estate's interest in that certain real property  
6 and improvements located at 10630 Mather Blvd., Mather, CA 95655.

7        91. Mather Reynen Property means the Reynen Estate's interest in that certain real  
8 property and improvements located at 10630 Mather Blvd., Mather, CA 95655.

9        92. McGregor Bardis Property means the Bardis Estate's interest in that certain real  
10 property and improvements identified as Assessor's Parcel No. 134-036-008, 134-0360-052,  
Sacramento County, California, consisting of approximately 360 acres of land on Grantline Road,  
Elk Grove, CA 95624.

11        93. McGregor Reynen Property means the Reynen Estate's interest in that certain real  
12 property and improvements identified as Assessor's Parcel No. 134-036-008, 134-0360-052,  
Sacramento County, California, consisting of approximately 360 acres of land on Grantline Road,  
Elk Grove, CA 95624.

13        94. Mendocino Property means that certain real property and improvements located at  
14 45134 Brest Road, Mendocino, CA 95460.

15        95. Mercedes Vehicle means the 2007 Mercedes Benz vehicle owned by the Reynen  
16 Estate, V.I.N. WDDNG71X47A012135.

17        96. Merrill Lynch means Merrill Lynch PHH Mortgage Services.

18        97. Merrill Lynch Secured Claim means the Reynen Secured Claim held by Merrill  
19 Lynch in the approximate amount of \$1,014,914 and secured by a first lien encumbering the  
20 Sacramento Property.

21        98. Net Bardis Refunds means Net Refunds arising from the Bardis Tax Returns.

22        99. Net Refunds means the tax refund amounts paid to the respective Estates on account  
23 of the Subject Tax Returns, less any penalties or interest imposed by the taxing authorities; less the  
24 professional fees and costs associated with preparing, filing, defending and prosecuting the Subject  
25 Tax Returns; less any reduction of the tax refund that was previously received; less any other tax  
26 deficiencies, penalties and interest of the Debtors or the Estates, including amounts that are paid by  
27 reduction or utilization of any tax refund; and less any fees and costs incurred by the Plan Agent, the  
28 Committee or the Plan Committee and the professionals of the Plan Agent, the Plan Committee or  
the Committee relating to the review, preparation, filing, defending and prosecuting of the Subject  
Tax Returns. For the avoidance of doubt, the reduction or utilization of any tax refund to pay tax  
liabilities of the Debtors shall not be treated as an item of Net Refunds, and a tax liability of the  
Debtors or the Estates that is not satisfied by a tax refund (including taxes in another jurisdiction)  
shall be treated as a reduction of Net Refunds.

100. Net Reynen Refunds means Net Refunds arising from the Reynen Tax Returns.

101. Newco means an entity to be formed and owned by the Estates for the purpose of building out projects of the SPEs with funding from the Estates, in the event that R&B ceases to perform that function.

102. Nonclassified Priority Claim means a Priority Claim that is either a Priority Tax Claim or an Administrative Expense Claim.

103. Oak Court Property means that certain real property and improvements located at 397 Maul Oak Court, El Dorado Hills, CA 95762.

104. Offsetting Personal Expenses means, for each of the Estates separately, expenses incurred on or after May 1, 2009 and prior to the Effective Date for the personal expenses of the Debtors of that Estate, or for the maintenance, holding costs, or debt service owing with respect to any Excluded Asset of that Estate (including such expenses incurred prior to the Effective Date and paid after the Effective Date, if any, but not including such expenses incurred prior to May 1, 2009, even if paid after May 1, 2009).

105. Pac Capital means Pac Capital, LLC.

106. Pac Capital Bardis Secured Claim means the Bardis Secured Claim held by Pac Capital in the approximate amount of \$739,105 and secured by the McGregor Bardis Property.

107. Pac Capital Reynen Secured Claim means the Reynen Secured Claim held by Pac Capital in the approximate amount of \$663,210 and secured by the McGregor Reynen Property.

108. Pebble Proceeds means approximately \$6,500,000 of funds interpled in the interpleader action entitled *First American Title v. Mid-Coast Realty Advisors, LLC, et al.*, A.P. no. 09-02088, pending in the Bankruptcy Court.

109. Pennsylvania Property means the Reynen Estate's interest in that certain real property and improvements consisting of approximately 284 acres of land in the Hartford Township of Susquehanna County, PA and identified as Assessor's Parcel No. 018-037857\_& 018-007633, together with all related personal property located on such property or used by the Reynen Debtors in the operation and maintenance of such property or of any business conducted thereon.

110. Petitions means, collectively, the Reynen Petition and the Bardis Petition.

111. Petition Date means either April 23, 2008 (the date of filing of the Reynen Petition) or October 15, 2008 (the date of filing of the Bardis Petition), as the context requires.

112. Petition Dates means each of the Petition Dates.

113. Plan means this Debtors' First Amended Joint Plan Of Reorganization (Dated May 29, 2009) (including all exhibits and schedules annexed hereto or filed separately), either in its present form or as it may be legally altered, amended or modified from time to time.

114. Plan Agent means the person appointed as plan agent on behalf of the Estates pursuant to Section 7.2 of the Plan.

1       115. Plan Committee means the committee of creditors established pursuant to the  
provisions of Section 7.5 of the Plan.

2       116. PNB means Peoples' National Bank, N.A.

3       117. PNB Secured Claim means the Reynen Secured Claim held by PNB in the  
approximate amount of \$392,992 and secured by part or all of the Pennsylvania Property.

5       118. Postconfirmation Recipients means the United States Trustee, the Reorganized  
6 Debtors, the Plan Committee, the Plan Agent, Buildco, and those parties who, subsequent to the  
7 Confirmation Date, file with the Bankruptcy Court and serve upon the parties named above written  
8 requests for special notice as provided by the terms of the Plan, *provided*, that any such requesting  
9 party may be eliminated from the list of Postconfirmation Recipients from time to time by consent of  
such party or by order of the Bankruptcy Court on notice to the then-constituted Postconfirmation  
Recipients, upon a showing that such party no longer holds a Claim in either of the Chapter 11  
Cases.

10       119. Priority Claim means a Claim entitled to priority treatment under the provisions of  
Section 507(a) of the Bankruptcy Code.

12       120. Priority Tax Claim means a Priority Claim of a governmental unit entitled to priority  
treatment pursuant to the provisions of Sections 502(i) and 507(a)(8) of the Bankruptcy Code, other  
than Secured Claims.

14       121. Pro Rata means, regarding Claims, the ratio of the amount of an Allowed Claim in a  
particular Class (or designated group of Claims) to the aggregate amount of all Allowed Claims  
(together with reserves for Disputed Claims) in such Class or designated group.

16       122. Professional Fees means a Claim for compensation or reimbursement of expenses  
earned prior to the Effective Date by a professional retained in either of the Chapter 11 Cases in  
accordance with the provisions of Sections 327 et seq. of the Bankruptcy Code.

19       123. R&B means Reynen & Bardis Communities, Inc. a California corporation owned  
50% by the Reynen Estate and 50% by the Bardis Estate.

20       124. Reno Property means that certain real property and improvements located at 5600  
Ventana Parkway, Reno, NV 89511.

22       125. Reorganized Bardises means the Bardis Debtors at all times on or after the Effective  
Date.

24       126. Reorganized Debtors means, collectively, the Reynen Debtors and the Bardis Debtors  
at all times on and after the Effective Date.

25       127. Reorganized Reynens means the Reynen Debtors at all times on or after the Effective  
Date.

27       128. Reynen Case means the chapter 11 case of John and Judith Bardis, case no. 08-25145,  
commenced on April 23, 2008, and pending before the Bankruptcy Court.

129. Reynen Convenience Claim means a Convenience Claim against the Reynen Estate.

130. Reynen Debtors means, collectively, John and Judith Reynen, the debtors-in-possession in the Reynen Case.

131. Reynen Equity Interest means an Equity Interest in the Reynen Estate.

132. Reynen Estate means the estate of the Reynen Debtors and all property thereof, as provided by Section 541 of the Bankruptcy Code.

133. Reynen Excluded Assets means, collectively, the following assets of the Reynen Estate: (a) all interests of the Reynen Estate in the Sacramento Property; (b) all interests of the Reynen Estate in the Pennsylvania Property; (c) all interests of the Reynen Estate in household goods, vehicles, jewelry, artwork, clothing and other personal items of the Reynen Estate, including without limitation all property determined by the Bankruptcy Court to be exempt property; and (d) the Mercedes Vehicle.

134. Reynen Nonclassified Priority Claim means a Nonclassified Priority Claim against the Reynen Estate.

135. Reynen Petition means the voluntary petition filed by the Reynen Debtors with the Bankruptcy Court in order to commence the Reynen Case on April 23, 2008.

136. Reynen Priority Claim means a Priority Claim against the Reynen Estate.

137. Reynen Sale Period means the time period during which the Reynen Debtors shall assist the Plan Agent in the marketing and sale of property of the Reynen Estate, other than the Reynen Excluded Assets, as part of the Reynen Debtors' Assistance Efforts, which time period shall commence on the Effective Date and shall terminate on March 31, 2010, *provided* that such time period may be extended beyond March 31, 2010 with the agreement of both the Plan Agent and the Reynen Debtors. Absent such agreement, the Reynen Debtors' obligation to assist in such marketing and sale efforts shall cease as of March 31, 2010.

138. Reynen Secured Claim means a Secured Claim against property of the Reynen Estate.

139. Reynen Tax Incentives means the Tax Refund Incentives described in Section 7.7.3.1 of the Plan.

140. Reynen Tax Returns means all tax returns, amended tax returns and claims for refund that can be reasonably asserted on behalf of the Reynen Estate for any period.

141. Reynen Unsecured Claim means an Unsecured Claim against the Reynen Estate.

142. Sacramento Property means that certain real property and improvements located at 2400 East Tiffany Way, Sacramento, CA 95818, Assessor's Parcel No. 075-0400-027

143. Sale Period Compensation shall have the meaning ascribed to it in Section 7.7.1 of the Plan.

144. Sale Periods means, with respect to each of the Estates, the period of time from the

1 Effective Date until May 31, 2010, as may be extended with the consent of the Plan Committee, the  
2 Plan Agent and the Reorganized Reynens or the Reorganized Bardises, as the case may be.  
3

4 145. Schedule 6.2.1 means the schedule, if any, to be filed and served pursuant to the  
5 provisions of Section 6.2.1 of the Plan.  
6

7 146. Schedules means the schedules of assets and liabilities and the statement of financial  
8 affairs filed by the Reynen Debtors or the Bardis Debtors, as the context may require, in the  
9 applicable Chapter 11 Case, as required by the provisions of Section 521 of the Bankruptcy Code  
and Bankruptcy Rule 1007, and all amendments or modifications filed with respect thereto.  
10

11 147. Secured Claim means an Allowed Claim held by any entity to the extent of the value,  
12 as set forth in the Plan, as determined by a Final Order of the Court pursuant to Section 506(a) of the  
13 Bankruptcy Code, or as agreed upon by such entity and the Plan Agent (subject to any requirement  
14 of approval by the Plan Committee set forth in the Plan) of any duly perfected interest in property of  
15 either of the Estates validly and enforceably securing such Allowed Claim.  
16

17 148. Secured Creditor means the holder of a Secured Claim.  
18

19 149. Silver Oak Bardis Secured Claim means the Bardis Secured Claim held by Silver Oak  
20 in the approximate amount of \$3,520,000, secured the Silver Oak Partnership Interest.  
21

22 150. Silver Oak Reynen Secured Claim means the Reynen Secured Claim held by Silver  
23 Oak in the approximate amount of \$3,520,000, secured the Silver Oak Partnership Interest.  
24

25 151. Silver Oak means JG Silver Oak, LLC, a limited liability company.  
26

27 152. Silver Oak Bardis Partnership Interest means the Bardis Estate's interest in RYB JG  
28 Silver Oaks, a general partnership.  
29

30 153. Silver Oak Reynen Partnership Interest means the Reynen Estate's interest in RYB  
31 JG Silver Oaks, a general partnership.  
32

33 154. SPEs means the special purpose entities, primarily limited liability companies but  
34 also including R&B and other corporations, owned, directly or indirectly, by the Debtor Group and  
35 through which the Debtor Group's real estate development business was operated prior to the  
36 Petition Dates.  
37

38 155. Step Incentive Payment means payment of the Claim Reduction Incentive earned  
39 within a particular line and margin identified in the Claim Reduction Table, e.g., payment of the  
40 \$150,000.00 Step Incentive shown in the Claim Reduction Table for the first \$10,000,000 in  
41 Deficiency Reduction Amounts.  
42

43 156. Subject Tax Returns means, collectively, the Reynen Tax Returns and the Bardis Tax  
44 Returns.  
45

46 157. Tax Refund Incentives shall have the meaning ascribed to it in Section 7.7.3 of the  
47 Plan.  
48

49 158. Travelers means Travelers Casualty and Surety Company of America.  
50

1       159. Travelers Secured Claim means the Bardis Secured Claim held by Travelers in the  
2       alleged amount of \$26,018,351.00, to the extent secured by a lien encumbering the Bardis Tax  
3       Refund.

4       160. Triggering Distribution shall have the meaning ascribed to it in Section 7.16 of the  
5       Plan.

6       161. Truckee Property means that certain real property and improvements located at 1087  
7       Martis Landing, Truckee, CA 96161.

8       162. Unsecured Claim means any Claim that is not a Secured Claim or Priority Claim.

9       163. US Bank means U.S. Bank National Association.

10       164. US Bank Secured Claim the Reynen Secured Claim held by US Bank in the  
11       approximate amount of \$1,580,000, secured by the Broomieside Property.

12       165. VIP means Village Investment Partners, L.P.

13       166. VIP Bardis Secured Claim means the Bardis Secured Claim held by VIP, by  
14       assignment from KeyBank National Association, in the approximate amount of \$4,973,466, secured  
15       by the Mather Bardis Property.

16       167. VIP Reynen Secured Claim means the Reynen Secured Claim held by VIP, by  
17       assignment from KeyBank National Association, in the approximate amount of \$4,973,466, secured  
18       by the Mather Reynen Property.

19       168. Wachovia means Wachovia Bank, N.A.

20       169. Wachovia-Gold River Secured Claim means the Bardis Secured Claim held by  
21       Wachovia in the approximate amount of \$420,144 and secured by the Gold River Property.

22       170. Wachovia-L.A. Secured Claim means the Bardis Secured Claim held by Wachovia in  
23       the approximate amount of \$2,366,868 and secured by the L.A. Property.

24       171. Wallace Property means that certain real property and improvements located at 14  
25       Willet Court, Wallace, CA 95254.

26       172. Wells means Wells Fargo Home Mortgage.

27       173. Wells-Mendocino Secured Claim means the Reynen Secured Claim held by Wells in  
28       the approximate amount of \$2,240,000 and secured by the Mendocino Property.

29       174. Wells-Reno Secured Claim means the Reynen Secured Claim held by Wells in the  
30       approximate amount of \$840,000 and secured by the Reno Property.

31       175. Wells-Truckee Secured Claim means the Reynen Secured Claim held by Wells in the  
32       approximate amount of \$1,015,000 and secured by the Truckee Property.

33       176. Wells-Wallace Secured Claim means the Reynen Secured Claim held by Wells in the  
34       approximate amount of \$381,282 and secured by the Wallace Property.